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WESTERN AMERICANA

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BY
DAVID H. WALKER.

IN ACKNOWLEDGMENT.

THIS book is respectfully inscribed to GEORGE K. FITCH, *in public recognition of service to the public performed by him.*

Content to exercise his influence impersonally, asking for no personal reward, fearlessly combating large corporations, he, as controlling proprietor and editor of the "San Francisco Call" and "San Francisco Bulletin," exercised great and enduring influence. In the events here recorded he was potent.

I.

A GENERAL REVIEW.

A GENERAL REVIEW.

THIS is the story of a public awakening. The justification of this assertion will be found in the facts. It is not impossible that the events which are herein recorded shall lead to a commercial revolution on the Pacific Coast. Certain it is that San Francisco will at last take the station which its natural advantages make inevitable. It will be in fact, as in name, the commercial metropolis of the Pacific Coast.

In the month of October, 1891, there sailed through the Golden Gate into the Bay of San Francisco the ship "Armida," flying the British flag. She was laden exclusively with goods of American material and exclusively of American manufacture, which had been brought from Europe. She was followed by other vessels, all of which had been laden in Europe with American goods, which goods had been exported to Europe from New York, and which, having been certified by American consular officers not to have been made dutiable abroad, were now

reimported to the United States, consigned, however, to other than the point of original departure. They had twice crossed the Atlantic Ocean, had journeyed around Cape Horn, and, after a long and expensive voyage or voyages, had arrived at their point of destination—San Francisco. It will sound oddly when the future citizen of San Francisco is told that the purpose of this circumnavigation of half the globe was to save freight money, but such was the fact.

The lines of clipper ships flying the American flag, as they journeyed between New York and San Francisco, were operated under subsidy agreement with the many railroads comprised in The Transcontinental Association. Clipper rates had, as a consequence, been raised until they were excessive. Foreign ships could not engage in the coast-wise trade of the United States. The Pacific Mail Steamship Company moved freights from New York to San Francisco, or *vice versa*, only at such rates and in such quantities as were agreed upon between the officers of that corporation and The Transcontinental Association. Freights by rail proceeded only at the highest rates that could be extracted,

and the shibboleth, both by land and sea, was, "Charge all that the traffic will bear."

Years before this, what has been known as the special contract system, had been placed in operation against the city of San Francisco. Merchants were cajoled, bullied, or bribed into making an engagement with the rail transportation lines not to move freights by sea. A tyrannical condition attended this arrangement which was, that the railroad people should always have the power and authority to open the books of any merchant with whom they had this sort of dealing, and the merchant, thereupon, the books themselves furnishing the necessary evidence, was found, by a not over-merciful inquisitor, to be in observance or in breach of a contract.

Those who were at the date mentioned, sailing freights from New York to Liverpool and Antwerp as exports, and thence in other vessels from these European ports to San Francisco as imports, were not unmindful either of the degree of restraint which had been imposed by the special contract system, nor of the degree of shame which the proposal implied in the making or in the acceptance. They were not forgetful.

The "special contract" even prohibited merchants who signed it from purchasing goods from others who imported from the Eastern markets of the United States by sea.

But there was good, red blood in San Francisco yet. If cargoes could not be received by the lines of least natural resistance under the protection of the American flag, they could, by means devised by resolution and ingenuity, still be secured from Eastern points of supply via Europe and Cape Horn at rates which would leave the dealer some reasonable share of profit. Communications had passed between these San Francisco shippers and the Treasury Department of the United States in which the query was propounded, whether such shipments were in violation of the navigation laws of this country? Seemingly satisfactory assurances had been received that the acts in view were not in technical nor real violation of these laws. Relying upon this view, several cargoes were set afloat and in due time arrived at their Pacific Coast destination. Now, to the general astonishment, while these vessels were on the way, the Government ordered the confiscation of their

cargoes. The merchants were, therefore, compelled to employ counsel and appear in costly litigation, extending over a period of some months, before the Federal courts in the northern and southern districts of California. It is a matter of history, that ultimately the merchants won this fight in the courts, but the whole occurrence was too much for San Francisco patience.

Situated on a great harbor, which is easy of access, and having naturally all the advantages which belong to an important seaport, San Francisco merchants found themselves ensnared by legal cobwebs and tied up by a transportation conspiracy. Indignation was none the less deep because it was not violently displayed. San Francisco, dispossessed of its birthright of free use of the sea, had no claim to be considered a great trade centre superior to a point inland, remote from the sea. Something must be done. The hour had struck. This preceded the actual organization of The Traffic Association of California, but it paved the way for that organization. An organization being later effected, the conflict to the end was inevitable.

The cargoes brought on these roundabout trips consisted largely of hardware. It is not without significance that some of the most prominent among the Pioneers in The Traffic Association movement were some of the consignees of these freights. The events just mentioned were vigorously discussed by the newspapers of San Francisco, and some needed new light was thereby cast on existing conditions. The interest which attended the proceedings concerning the seized cargoes in the Federal courts manifested the popular feeling somewhat mildly, perhaps, but with certainty. The names of the foreign ships upon which cargoes were seized, and the dates of their confiscation at San Francisco, are as follows: "Armida," October 16, 1891; "Port Sonachan," November 5, 1891; "Glenalvon," November 17, 1891; "City of Delhi," December 3, 1891; "Alcinos," December 8, 1891; "Dumfriesshire," December 21, 1891; "City of Benares," January 12, 1892; "Stockbridge," January 12, 1892; "Duchess of Albany," January 18, 1892; "Clackmananshire," January 20, 1892; "Melville Island," February 3, 1892; "Archdale," February 4, 1892; "Fort George,"

March 25, 1892; "Eskasoni," April 2, 1892; "British Isles," April 12, 1892; "Ananrus," May 28, 1892. The goods that were seized had been moved to Europe by Trans-Atlantic steamers plying on regular lines, and had been trans-shipped in the sailing vessels already named. That the legal attitude of the merchants was correct is sufficiently demonstrated by the fact that Congress later amended the law to prevent future shipments in that way.

The order by the Treasury Department of the United States to confiscate the cargoes was issued after all these cargoes were afloat. Immediately upon receipt of notice that confiscation was intended, the merchants discontinued to ship via Europe to San Francisco from New York. The average saving per ton on freight by the round-about route was four dollars ($4). This was the first move to reduce through freights between the Atlantic seaboard and the Pacific Coast. The test case made up by agreement, upon which the merits were tried in the Federal courts, first before Judge Ross in the Southern District of California, and afterwards in the United States Circuit Court of Appeals in San

PIONEERS OF PROSPERITY

— BY —

DAVID H. WALKER.

SAN FRANCISCO
1895

Francisco, had the portentious title of "The United States *vs.* 250 kegs of nails." Clearly, the nails had the better of it.

San Francisco was not destined to rely upon voyages so circuitous very long. Other means of opening up the broad highway of the ocean to unrestricted transportation were, not very many months after this, actively employed. The first competing line of deep sea steamers between the Atlantic and Pacific Coasts owed its appearance to the agency of the Johnson-Locke Mercantile Company of San Francisco, who, in the summer and autumn of 1891, brought out from New York in succession, six steamers, constituting the Atlantic and Pacific Steamship Line, of which a somewhat detailed account is given in another chapter.

Four forms of attack against the transportation monopoly have been adopted: Politics, appeals to the Board of Railroad Commissioners, transportation by sea, and the construction of competing railroads. Politics, on some conspicuous occasions, proved ineffectual. Transportation by sea was a valuable experiment, and resulted in a large aggregate saving in freights,

mounting up to the millions. Competing railroads, it has long been apparent, are the real key to the situation. Excursions into the field of politics were not wholly unprofitable, because the helplessness of the people under conditions then existing to accomplish any relief for themselves by such means was clearly demonstrated; and the luminous certainty appeared that it was necessary to lay down independent highways of steel and to sail ships. It is true that, at the outset, the people of California entertained some delusions, and that their progress towards success was not uninterrupted. There were mistakes, jealousies, some manifestations of weakness, some heart-burnings, some seemingly unnecessary opposition, attempts at cajolery, propositions were made that were rank treason; in short, all the difficulties attendant upon any great new experience and primary lack of full unity on an agreed plan were encountered.

It was at first supposed that the high transcontinental rates were alone the source of the commercial woes of San Francisco. Consequently, the first attack was aimed at the Trans-Continental Association. It soon became clear

that the position of San Francisco as a distributing centre was not materially altered solely by the lowering of through rates in both directions. High local rates, like a stone wall, encircled San Francisco, preventing the free movement of the products of the interior to the seaboard and minimizing the advantage gained by open competition by sea to the Golden Gate. A great saving came to the entire State by the lowering of the through rate, but San Francisco still stagnated. The number of stores and tenements to rent continually increased; realty of all sorts and descriptions produced continually less income, or failed to produce any; the values of unimproved property sank; banking institutions anxiously investigated the values of loans upon farm lands. One event led another into the field. To-day as they are marshalled in memory, they seem formidable, but while they were passing, their full significance seemed only partially understood, and there were not lacking detractors and theorists who sought to discourage the men who were in the van of progress.

Let it be set down, that as far as San Francisco progressed, the leaders accomplished headway

against manifold contrivances of the combined existing transportation companies and moved forward, sometimes disheartened, but never intimidated, by a plentiful display of white flags displayed by some of those from whom better things might have been expected.

At the outset there was no declared hostility to any existing corporation. Moderation was suggested and counseled by President Stetson, who presided over the first assemblage which resulted finally in organization. It was confidently believed that the associated merchants would be able to exercise moral influence sufficient to insure them consideration and fair business treatment. Other associations of a similar sort, it was urged, existed at St. Louis, St. Paul, and perhaps other cities, which cities had found relief by presenting a united front as shippers, able to route their freight by any line or lines they might select. The conditions, however, differed greatly. These cities had several transportation lines. San Francisco was only the far-off end of the long haul. The sea was disused largely, and the transcontinental roads, heavily over-capitalized and trying to earn

an income upon fictitious cost, relied upon the fertile valleys of California to pay in excessive freights and fares sufficient income to sustain hundreds of miles of railroad running over mountains and deserts in which little or no business could be expected to originate.

Timidity was confined mainly to the educational period, which perhaps was not too long, experience being the best possible teacher. The Legislature then contained no relief. The Board of Railroad Commissioners was strongly entrenched in the State Constitution and was a law to itself, and the Board had been from the date of its creation, under the influence of the transportation monopoly.

This Railroad Commission, embracing three members of whom not one was capable of formulating a tariff, not one ever having been a practical transportation man, was a transparent farce; and the farcical nature of its proceedings was not lessened by the never failing "exceptions" taken by transportation companies, doing business in the State of California, to all the rulings which were promulgated. These rulings were never sufficiently hostile to justify an

expectation that the transportation companies would be seriously injured by their application. The whole procedure fitted admirably the use for which it was intended. The people had not risen. The election of two members of the Board was an easy feat for the railroads. The "exceptions" were expected to cause delay, if necessary, through the courts.

But it is evident primarily, that two men, a majority of the Board of Railroad Commissioners, could be more easily influenced than a majority of the two houses of the California Legislature. The Commissioners never had a "rate clerk," and all their information about California railroads came from the officers of the railroads, in other words through the medium of the paid agents of the railroad corporations. They held few meetings. They had fallen into practical disuse. No ray of illumination penetrated to the tariffs which were regularly adopted by the Commissioners as they came from the railroad offices, until The Traffic Association of California, through its expert tariff-maker, Joseph S. Leeds, made statistical comparisons which were easily comprehended by any inexpert mind. The local

rates, or rates between points within California were without a uniform system of classification north of Tehachapi. The Western Classification was unknown in local traffic in Northern California to the Railroad Commissioners. This subject was treated fully by Mr. Leeds as manager of The Traffic Association at the first annual meeting of the Association. His picture of such unique conditions will be presented a little later.

The Transcontinental Association was a powerful combination embracing in the year 1892 all the lines included in the following enumerated systems: Atchison, Topeka and Santa Fe Railroad; Atlantic and Pacific Railroad; Burlington and Missouri Railroad in Nebraska; Canadian Pacific Railway; Chicago, Rock Island and Pacific Railway (west of the Missouri River); Colorado Midland Railway; Denver and Rio Grande Railroad; Great Northern Railway Line; Missouri Pacific Railway; Northern Pacific Railroad; Oregon and California Railroad; Rio Grande Western Railway; Southern California Railway; Southern Pacific Company (Atlantic system); Southern Pacific Company (Pacific system);

St. Louis and San Francisco Railway; Texas and Pacific Railway; Union Pacific System. These lines all had a common interest to keep the port of San Francisco closed to commerce by sea as much as possible.

This prefatory chapter is incomplete without the following which appears in the first annual report of Mr. Leeds to the Executive committee of The Traffic Association. Speaking of the time of organization, Mr. Leeds said:

"It was believed by many at that time that the chief difficulty under which this community was laboring was in the through traffic as represented by the organization known as The Transcontinental Association; that if it could be broken up or modified great good would result. While that is literally true it by no means constitutes the heavier portion of the unjust burden imposed by the transportation companies upon the commerce of this coast. It has been found that the principal feature of the trouble has its basis or foundation in the local rates in this State.

"All conditions which were affected by transportation were extremely unsatisfactory when

this organization was created. Shippers, both local and through, were under complete subjection to such a degree that many of them were afraid to take part openly in any move for the correction of existing evils, and for very good reasons. Examples were not wanting where those who had courage enough to protest against these wrongs were subjected to the grossest kind of discriminations and their business seriously hurt or ruined.

"The Transcontinental Association, the most complete and powerful of any of the kindred organizations in this country, was in full control of the situation. The rates imposed by it were such as it chose to exact without reference to justice or equity, as between the merchants, producers or manufacturers of this coast and those of the Mississippi Valley and the East. Every avenue of possible competition was either closed or under complete control, so that the burden was adjusted to serve best the purpose of the carrier. The neutrality of the Pacific Mail Steamship Company was purchased by a subsidy of seventy-five thousand dollars ($75,000) per month under the guise of a space rental of meagre

proportions, the rates on the freight carried by it, in both directions, being under the complete control of The Transcontinental Asscciation.

"The commerce of this coast was assessed to pay this subsidy—or, more plainly speaking, the subsidy was paid in order that the assessment could be made. The Cape Horn lines in both directions were kept under control by trades on the business and intimidation, so, that they were made satisfied with a fixed amount of tonnage on a high scale of rates practically under control of The Transcontinental Association. Import and export freight rates as represented by the Pacific Mail and Occidental and Oriental steamship lines were so manipulated as to destroy all possibility of competition by sea or land, and by ingeniously contrived methods these lines exacted such rates as have driven a large volume of the trade away from this port and forced the establishment of branch houses in foreign countries by some of our importers in order to protect their trade.

"This, coupled with the high local tariffs in the interior, had the effect of holding the traffic of the whole State upon an unreasonably high basis

and to a large extent curtailed the trade of the business centres of this coast, at the same time placing it in the hands of competing markets outside of the State. The transcontinental lines also violated and are still in violation of the spirit of inter-state commerce law by fixing the rates between interior Eastern points and this coast on such goods as are competitive via the Atlantic seaboard with vessels on a lower basis than from the point where the competition exists, while the exceptional circumstances and conditions upon which these rates are made lower than intermediate rates on this coast are said to be sea competition.

"But the local rates are very much more burdensome, because they serve not only the purpose of securing an immense local revenue, but serve as a high protective tariff against the possible introduction of a measure of sea competition to the interior country of this coast. The whole is ingeniously contrived to bottle up the interior of the State and reduce the radius of trade of all terminals to the smallest possible limits, because the less business done to and from tide water the less trouble there would be in keeping the water lines

under control. So it must be plain to your committee that a more reasonable basis of local tariff would necessitate a lower adjustment of through tariffs all over the State.

"Shippers are frequently informed that the carrier cannot make lower rates to and from tide water, because the freight would move by sea. This explains the great necessity for the control of every avenue whereby sea competition may be introduced to the interior; also the necessity for the control of the State Board of Railroad Commissioners who have given no relief to the local situation during an administration of fourteen years. The tariffs in effect to-day in all parts of the State are a reproach upon the intelligence of this people. They are grossly discriminative; no attention is paid to the measure of service performed. There are in effect in the State three different classifications governed by widely differing rules, which any one of intelligence on that subject knows is entirely unnecessary, except for the sole purpose of covering up the gross discriminations which exist, and to hide a state of affairs too unjust to bear the light of a uniformly adjusted tariff. Between local points in the interior of the State

there is practically no tariff at all except a minimum of fifteen cents per ton per mile, which precludes the possibility of an interchange of commodities except in cases of absolute necessity. Under such conditions no industry can start with any assurance of success until it has first made a special bargain with the carrier, whereby he becomes a special partner in all the profits, but not in the losses—besides being placed in the position of absolute subserviency as the recipient of the special favor of being allowed to do business at all in the State of California. Of course the vast resources of this State and this coast cannot develop under any such conditions.

"This local situation has been built up and perpetuated by the carriers, very largely through the control of the various branches of the State and municipal government, through political bosses who are their servile tools, to whom in the past the office-holder has been obligated by a bargain consummated before nomination. The past history of the official acts of these office-holders under boss rule presents an object lesson too plain to require extended mention. Let it be borne in mind that the prime object

has always been the absolute control in their own hands of the measure of the rates and fares at 'all the traffic will bear.' Our Board of Railroad Commissioners is an expense to the State, and, instead of performing a service to the people, it becomes a means of protection to the railroads against the performance of their obligations to the people as common carriers."

There were other matters of interest which are not alluded to in the foregoing. The Southern Pacific Company was, at this time, furnishing an example of the unjustness of its local rates by bringing to San Francisco from Liverpool, via New Orleans, many commodities at a much less cost than was assessed against local shippers for moving the same commodities from San Francisco to Bakersfield, in Kern County, at the head of the San Joaquin Valley, distant only about 350 miles from San Francisco. The steamship lines between San Francisco and China and Japan were, with their rail connections between San Francisco and the Eastern States, in open violation of a ruling of the Interstate Commerce Commission secured by a San Francisco mercantile house, and were pursuing a policy which

largely prevented San Francisco merchants from profitably importing tea from the Orient for exportation to the Eastern markets of the United States. The trade between San Francisco and Mexico and Central American countries was hampered by high rates and onerous conditions. The river systems of California were not generally employed to further competitive freight carriage. Port charges against shippers were excessive and ships were heavily taxed. Over fourteen millions of dollars had been paid to the Pacific Mail Steamship Company by the roads of The Transcontinental Association between August, 1877, and March 1, 1892, to prevent that line from competing with the rail lines. A large share of this money, which was paid as subsidy to restrain trade, was derived from the earnings of the Government-aided roads which were, and are (April, 1895), heavily indebted to the Government of the United States and were professing inability to pay such debts and accrued interest. At the same time the Government was paying a mail subsidy to the Pacific Mail.

This anomaly attracted the attention of United States Senator Felton, who introduced a bill in

the United States Senate to fix the compensation to be paid for ocean mail service, which bill contained the following provisions:

"And provided further, that no steamship so employed, and no person or persons, or company, controlling, owning or running such steamship shall be a part of any combination, pool or understanding whatever, to fix or alter or prorate passenger or freight rates with any competing steamship or railroad lines, or do any other thing whereby the competition of such steamship shall be affected, or traffic on or by it lessened or discouraged, or its standing and effect as an independent competing line shall in any way be affected; and before said steamship, or person or persons or company shall be paid for carrying the mails, it shall be established to the satisfaction of the Postmaster-General that this proviso has not been violated by such steamship, or person or persons, or company."

It was apparent, if The Transcontinental Association found it worth while to pay over fourteen millions of dollars, in a few years, to control the use of the Pacific Mail Steamship Company's vessels, that it was worth still more to San Fran-

cisco to have a free movement of commerce by sea. That was one lesson that was not fruitless. One clause of The Transcontinental Association agreement provided that: "It is agreed that the subsidy now paid the Pacific Mail Steamship Company for its steamers between San Francisco and New York State be borne by the several railroad companies here represented in the proportion of their revenues from San Francisco business carried under this agreement."

Brazilian coffee was laid down at Denver, via New York, at $1.25 per 100 pounds, and the rate from San Jose de Guatemala to Denver, via San Francisco, was $1.92½. Under the adverse conditions indicated in the foregoing the tea imports of San Francisco decreased from 170,696 packages in 1886, to 154,353 in 1891. Tea moved from Yokohama to Salt Lake City, via San Francisco, at 2¾ cents per pound, while the same commodity moved from Yokohama to Salt Lake City, via Portland, Oregon, went forward at 1⅛ cents per pound. These are only indicative straws. The whole situation was similar.

E. F. Preston, Counsel for the San Francisco and San Joaquin Valley Railway, drew another

picture February 5, 1895, when he said in an open letter:

"Under present conditions the convergence of all lines of the Sunset system at Tehachapi Pass and points to the south, with connection between ship and car on the shores of the Gulf of Mexico, means the divergence from this place of the entire exports of the State of California. With very low transcontinental rates given to various points called terminals, in the interior, with a high local rate from San Francisco, the seaboard, to such points, it is obvious that the supplies for the interior must reach it via New Orleans and the Tehachapi, so that San Francisco need not concern herself with either the exports or the imports of California. This condition appeals to every business man, firm, or corporation within the State of California, and as 'self-preservation is the first law of nature,' it becomes our primary duty, so far as lies in our power, to avoid a condition so disastrous to our State."

While it is necessary, in order to make this narrative clear and ample, to segregate the various enterprises mentioned, no mistake should be made as to their substantial identity. In all

of them the individual movers, or very many of them, were members of The Traffic Association of California. These movements were wings of a general advance. Like the ripples caused in a pool the scope of activity continually widened and the manifestations, while all sympathetic, became varied. Had not the merchants moved at first as they did, stagnation would have continued.

II.

THE TRAFFIC ASSOCIATION OF CALIFORNIA.

THE TRAFFIC ASSOCIATION.

As the preceding pages have indicated, the public mind was ready for concerted action and all that was necessary was the directing impulse to cause it to take a definite trend. No single individual can lay claim to having created the conditions which made the enterprise now in view a possibility, unless that individual might be the presiding genius of the Southern Pacific Company, who furnished the necessary provocation.

But in these early days, younger business men did their share, and perhaps more than their share. Several meetings, preliminary to the first formal deliberative gathering of the merchants, were held in the offices of A. Lusk & Co. Isidor Jacobs, the President of that Company, moved so actively, that to him many attribute the credit of precipitating action. After many private conferences a circular letter of invitation was sent out, and on the afternoon of October

19, 1891, a fairly representative meeting of commercial San Francisco was held in the assembly hall of the Chamber of Commerce. Thomas J. Haynes, Secretary of the Chamber of Commerce, called the meeting to order. James B. Stetson, upon nomination of W. J. Tilley, was made Chairman.

Mr. Stetson, taking the chair, made a brief speech, in which he stated the purpose in view substantially as follows:

"Our object at this meeting is to organize a freight bureau, or traffic association, or by whatever name it may be termed, whose purpose shall be for mutual protection and extension of the interests of San Francisco; for overcoming, by united effort, discrimination and inequality against the interest of San Francisco; for representation in conferences upon matters of importance to the shipping public with railroad or other transportation companies. Associations similar to the one we propose forming here are in existence in all the Eastern States, and great benefits have accrued through them, and this will not fail to prove successful here. I have been waited upon this morning by members of ten of the

largest business houses in this city, and I am permitted to say, if the organization is begun on the plan here foreshadowed, they will join with us and enter into the work with a determination that it shall succeed."

Thomas J. Haynes was elected Secretary. Resolutions were presented by Isidor Jacobs from the committee of arrangements, who had attended to the temporary organization, which proposed that the name should be the Merchants' Traffic Association of San Francisco and the State of California; and which also enunciated generally the purposes of the Association. These included "the construction of canals, competitive systems of railroads, steamship lines, and for any other purpose that may tend to develop the interests of the State; to seek new fields for our merchants to distribute their goods, products and manufactures," etc.

An Executive Committee under the terms of the proposed plan was given power to draw up by-laws and rules for the government of the Association; to select all necessary employees; to designate salaries; to determine the amount of revenue that members should pay; to fix the

qualification for membership, and to arrange such other details as might be deemed advisable for the success of the Association. This outline of organization was adopted practically without change. It was specified that the Executive Committee should be confined to a stated number of members of the mercantile community, from whom should be elected a president, vice-president and treasurer, and that the headquarters of the Association should be in San Francisco.

The name after several suggestions as finally adopted was The Traffic Association of California. The speakers at the first meeting all expressed themselves in hearty sympathy with the movement. Prominent part in the proceedings as speakers was taken by A. T. Hatch, E. B. Beck, M. Ehrman, E. R. Stevens, William L. Merry, R. G. Sneath, Fred L. Castle, Benjamin Sloss A. S. Hallidie, Harry Green of Monterey, M. P. Jones, Thomas Fitch, Jr., Arthur R. Briggs, A. J. Marcus, and S. N. Griffith of Fresno.

The choice of the Governing Board, the Executive Committee, was the vital point, as to their care was confided without limit the administra-

tion of the business of the Association. It was voted that the selection should be made by Mr. Stetson, the Chairman.

These names were considered by the assembled merchants worthy to be submitted in connection with this important trust: J. C. Siegfried, A. J. Mott, E. B. Beck, Isidor Jacobs, C. B. Tilley, H. A. Williams, S. Nickelsburg, B. F. Dunham, M. P. Jones, Thomas E. Hughes of Fresno, George C. Hawley, A. T. Hatch, A. S. Hallidie, James B. Stetson, E. B. Pond, R. J. Smith, J. A. Folger, W. P. Redington, S. L. Smith, Robert Howe of Sonoma, George R. Sanderson, W. W. Montague, Robert Watt, William L. Merry, C. E. Whitney, A. R. Briggs, T. C. White of Fresno, Isaac Upham, Levi Strauss, B. F. Stone, M. Ehrman, Adam Grant, Louis Sloss, John D. Spreckels, Daniel Meyer, C. B. Stone, Frank Dalton, Thomas Fitch, Jr., C. L. Taylor, William Haas, William L. Dutton, E. H. Ransom, A. Porter, Will E. Fisher, Adolph Sutro, Robert Oxnard, Barry Baldwin, J. Neustadter, Thomas Dunnigan, D. N. Walter and Isaac Hecht.

Before the meeting adjourned a permanent committee to encourage the construction of the

Nicaragua canal was appointed, of which John T. Doyle was Chairman. The preliminary work now being accomplished, the meeting adjourned subject to the call of the chair.

The first Executive Committee, which was appointed by Mr. Stetson, consisted of F. L. Castle of Castle Bros., J. C. Siegfried of Siegfried & Brandenstein, F. W. Van Sicklen of Dodge, Sweeney & Co., Robert Watt of the Langley & Michaels Co., B. F. Dunham of the Dunham, Carrigan & Hayden Co., Isaac Upham of Payot, Upham & Co., Isidor Jacobs of the A. Lusk Canning Company, Eugene B. Beck of D. L. Beck & Sons, A. W. Porter of Porter Bros., William Haas of Haas Bros., J. H. Wise of Christy & Wise, A. J. Marcus, of S. H. Frank & Co., A. S. Hallidie of the California Wire Works, Barry Baldwin, President of the Merchants' Exchange Association of San Francisco, J. B. Stetson of Holbrook, Merrill & Stetson, S. N. Griffith of Fresno, C. T. Settle, President of the Farmer's Union of San Jose, J. A. Hodges, of H. Buck & Co., Stockton, W. H. Wood of W. H. Wood & Co., Sacramento. It will be observed that the

first Executive Committee represented only the commercial interests of California, pure and simple. This was the first formal step. The enthusiasm was marked.

An informal meeting of the Executive Committee was held October 24, 1891, in the rooms of the Board of Trade. J. B. Stetson was chosen President, and Thomas J. Haynes, Secretary. Committees were appointed on By-Laws and an address. The plan of organization was approved at a meeting held October 29, 1891, when Fred. L. Castle was elected First Vice-President, Barry Baldwin, Second Vice-President, and Isaac Upham, Treasurer. The plan of permanent organization was adopted October 30, 1891, and immediately after this the Committee actively engaged in securing members under conditions laid down in the Constitution and By-Laws.

The Constitution and By-Laws provided that merchants, manufacturers, producers, and others interested in, and favorable to, the objects of the organization might be members. The Board of Government was made to consist of nineteen members, from whom were to be elected a president, first vice-president, second vice-president,

and treasurer. The Executive Committee decided upon the admission of members, had entire control and management of affairs, including the appointment of the manager; was also vested with power to route all freight of members in case of an emergency. One significant fact in the regulations adopted was that no person was eligible to be elected to membership who was in the employ of any transportation company or who had a free pass over the lines of any transportation company. Members were divided into three classes, according to their quarterly payments. Members were secured with comparative ease. A large part of the commercial community of San Francisco felt strongly the responsibility imposed upon it.

It was early proposed that co-operative associations should be formed in all parts of the State which should be entitled to representation in the Executive Committee, but it is a fact that very little co-operation was extended to San Francisco, which, practically single-handed and almost alone, made this entire struggle from beginning to the time when a competing railroad seemed reasonably sure.

At a meeting of the Executive Committee held November 18, 1891, on motion of Isaac Upham, the Committee to suggest a person for the position of Traffic Manager was authorized to arrange with Joseph S. Leeds. Some correspondence had previously passed between individual members of the Committee and Mr. Leeds, who had signified his willingness to come to California. Mr. Leeds began his services with the Association December 1, 1891.

The Traffic Association never had occasion to regret this choice. The reputation which Mr. Leeds had established elsewhere was increased here by his acts. He had bulldog tenacity of purpose and he proceeded in a straight line. He was an expert in all matters pertaining to traffic and was entirely familiar with transportation conditions affecting the trade and commerce of the Pacific slope. Long intimately associated in business with the foremost men who were directing the policy of the great transportation lines of the United States, he understood fully the motive by which they were impelled and the policy which dominated their actions. His integrity was unimpeachable. He was a firm counselor

and good enemy. The intricacies of tariffs, devised to befog the public, were easily unraveled by him. From him radiated many suggestions. He became chief instructor in the science of transportation to a State which was what was then most needed.

A brief review of his career prior to his engagement as Manager of The Traffic Association of California is added for its historical value, for the name of Joseph S. Leeds will always be inseparably connected with the story of the awakening of California, in which he was no mean or small instrumentality.

Joseph S. Leeds was born in Clermont County, Ohio, February 18, 1844, and was reared on a farm. He enlisted in the Union army at eighteen years of age in 1862, and served to the end of the Civil War, being mustered out of service in Ohio in June, 1865. He entered a railroad office in August of the same year and learned telegraphy, and in February, 1866, became connected with the railroad. He was General Freight Agent of the Atchison, Topeka and Santa Fe Railroad Company from November, 1884, to January, 1888; Chairman of The Transcontinental Association

from January, 1888, to June, 1889; Freight Traffic Manager of the Missouri Pacific and St. Louis, Iron Mountain and Southern Railways from June, 1889, to May, 1891, when he was discharged from the service by a resolution of the Advisory Board of The Western Traffic Association, for a technical violation of the agreement of that Association commonly known as the "President's or gentlemen's agreement," consisting of the publication of open rates at the figures which were, Mr. Leeds claimed, secretly made by the other lines who were parties to the agreement. He remained idle from May, 1891, to December, 1891, when he entered the service of The Traffic Association of California as Traffic Manager.

During his railroad service he was an active participant in the traffic affairs of the Atchison, Topeka and Santa Fe, The Transcontinental Association and the Gould lines, and was noted as a stalwart defender of the rights of those he represented, as he has been of the interests of California in the contest which has been waged for more than three years.

The Executive Committee adopted the following, December 2, 1891: "It is the unanimous

sentiment of the Executive Committee of this Association that, for our mutual benefit, we welcome the co-operation of members from the interior."

The Committee to whom was intrusted the duty of getting members consisted of Isidor Jacobs, Isaac Upham, W. H. Wood, F. W. Van Sicklen and A. J. Marcus. As early as December 10th, Traffic Manager Leeds and The Johnson-Locke Mercantile Company called attention to the importance of water transportation.

A competing clipper line was soon established around Cape Horn in competition with the established carriers. It was not established or controlled by, but was encouraged by The Traffic Association. The expediency of having such a line came before the Association as early as March, 1892. At a meeting of the Executive Committee in that month, Robert Watt moved, and it was so voted, that the interests of the Association demanded that a line of clipper ships should be established between New York and San Francisco, and the preparation of a plan for such line was referred to the President and Manager of the Association. Some negotiations were opened,

but it appearing that a number of large mercantile houses had, upon their own account, practically determined to place a competing clipper line in operation, The Traffic Association, as an organization, took no further part in the matter except to assist as individuals in raising funds, and in an advisory capacity.

This seemingly small beginning worked out great consequences. The events connected with the operation of the clippers by the Merchants' Shipping Association are given somewhat in detail in another chapter. The suggestion of The Traffic Association was certainly well advised. The full measure of effect upon the transcontinental combination was accomplished. Rates under the influence of competition via Cape Horn fell so that the space rental arrangement between the transcontinental roads and the Pacific Mail Steamship Company became unprofitable. The subsidy of the Pacific Mail was withdrawn. Almost co-incidentally The Transcontinental Association passed out of existence. The way was made clear for the Panama Railroad Company to establish, in connection with the merchants of San Francisco, a competitive steamship line be-

tween New York and San Francisco via the Isthmus of Panama. This mile-stone was reached in just about one year after the Association actively began real work.

The first year was prolific in topics to engage the attention and activity of the Association. When the first annual meeting was held, October 26, 1892, the Executive Committee made a report in which it was said:

"The circumstances which called for the existence of this organization were and are to-day of paramount importance. While the individual has not the power to cope with such a powerful corporation (the Southern Pacific Company), we believe The Traffic Association of California has that power. It has also the disposition to exercise that power impartially, dispassionately, consistently and in the interests of the people of the State. The most critical time in the life of this organization has passed. It has gathered strength from time to time and feels now that it is in a position to cope with the commercial problems which most immediately affect us, with a moral certainty of success."

"The State of California," said the Committee in the same annual report, "needs to have cheap communication within itself. The annual produce of the State should have an easy market. Cost of transportation between local points should be at the minimum. The harbors of the State should be maintained, open and free to commerce; unnecessary restrictions and tolls on trade should be abolished. Taxation should be radically reduced, and by honest determination this can be accomplished. The Railroad Commission should be abolished." In conclusion, the Committee congratulated the Association on its increasing strength and evidence of permanency.

Traffic Manager Leeds submitted a report and review of the first year's work, calling attention to the fact that what had been done covered a period of only ten months. The work was varied. "One of the strong points gained," said Mr. Leeds, "is in the education of the public. One year ago there existed in the State a strong prejudice against any movement which had its origin in this city. This was especially true with what are known as terminal points and

prejudice was encouraged by the Southern Pacific Company in order to divert public attention from more vital matters. This has been overcome to a great degree by the work which has been done and the literature which has gone forth from the Association." This literature was voluminous.

The Association also, during the first year, filed comparative schedules before the Board of Railroad Commissioners, showing conclusively how much higher rates were in California upon local business than they were in other parts of the country similarly circumstanced. These schedules and resultant hearings (Mr. Leeds being called as a witness before the Railroad Commissioners), held public attention for a period of several months and they were unquestionably valuable in increasing popular sympathy for the Association's work. Some very ingenious fencing between the Board of Railroad Commissioners and Traffic Manager Leeds occurred. The Commissioners desired to have the Association file a complaint, but were unable to bring this about as it would have put the burden of the proof on the Association. The political existence of the Commissioners was threatened and

the filing of a complaint by R. O. Shivley of San Jose having been procured, Col. Richard P. Morgan was called as an expert to testify that the rates in California were not only reasonable *but that they were too low*, considering the expensive unproductive lines over mountains and deserts of which the California local lines were an integral part. This campaign was long and exciting.

The Legislature being about to sit, a pledge was formulated which was placed before each candidate for the Senate and Assembly, providing for legislative measures which were considered necessary. Many candidates signed this pledge and party organizations attested their appreciation of the power of the Traffic Association by taking such action as they saw fit in this connection.

Rates by sailing vessels around Cape Horn were reduced by the competition of the clipper ships at least four dollars ($4) per ton in a period of five months; at one time not less than forty thousand tons of clipper freights were afloat at these reduced rates.

The organization of the San Francisco and Great Salt Lake Railroad Company, which took place during the year, to build a road from San Francisco to Salt Lake City, Utah, and to occupy the valleys of California, had its impulse in the activity of The Traffic Association.

Mr. Stetson resigned the presidency of The Traffic Association early in 1892. Fred L. Castle was elected President to succeed him, Barry Baldwin becoming First Vice-President, and W. H. Wood, Second Vice-President. The attitude of the Association in June, 1892, was outlined in an address and declaration of principles, which was signed by Fred L. Castle as President and by all the members of the Executive Committee. Six months' experience had led the Association to take a definite stand. "The transportation problem," sets forth this address, "is the most vital of any of the questions with which the State of California has to deal at this time. The carriers have endeavored, in various ways, to impugn the motives of the Traffic Association and engender strife between this city and other portions of the State. The object is obvious. A divided community could more easily be made

subservient. It is, therefore, deemed advisable, by The Traffic Association of California, to make such a declaration of principles as may not be misunderstood. We believe that a reduction and equitable adjustment of the local tariffs and the establishment of a uniform classification throughout the entire State are needed to help every point and every industry and that the effect would be to lower the standard of the through rates."

Political action was also recommended. The Democratic State Central Committee and the California League of Progress sent communications to the Committee, promising to use their influence to pledge legislative candidates to act in accordance with a pledge prepared by the Association.

Before the first year was out, Fred L. Castle, being ill, was unable to serve longer as President. He died soon after, his loss being much regretted. At the first annual meeting the following were elected members of the Executive Committee: Barry Baldwin, W. B. Wellman, John T. Doyle, A. Schilling, Robert Watt, B. F. Dunham, F. W. Van Sicklen, Alvinza Hayward, Charles M.

Yates, Isaac Upham, L. L. Baker, A. W. Porter, A. J. Marcus, A. S. Hallidie, Frank Dalton, W. H. Wood, C. T. Settle and S. N. Griffith. Barry Baldwin was elected President; Robert Watt, First Vice-President; L. L. Baker, Second Vice-President; Isaac Upham, Treasurer, and Thomas J. Haynes, Secretary. A. S. Hallidie declined to serve and John F. Merrill was named to fill the vacancy.

The years 1892 and 1893 were a period of great activity on the part of The Traffic Association. In addition to assisting the competing clipper ship line and the San Francisco and Great Salt Lake Railway, a political campaign was organized to effect reforms through the Legislature which made much stir and, soon after that, the plan of what was subsequently known as the North American Navigation Company was brought before the Association for endorsement and support.

On the last day of 1892 it was voted to send Mr. Leeds to New York to negotiate in company with Frank S. Johnson with the Panama Railroad Company for an arrangement for moving freights via Panama, and the negotiations re-

sulted in providing a way for the maintenance of the North American Navigation Company's line of steamers. In December, 1892, Livingston Low Baker, Second Vice-President, having died, Walter M. Castle was elected a member of the Executive Committee to fill the vacancy caused by Mr. Baker's death, and F. W. Van Sicklen was elected Second Vice-President.

The success of the Association was checked during the latter part of the year 1893, by general financial stringency extending all over the United States. That year the establishment of a coastwise steamship line was discussed. A committee of seven was appointed to confer with the citizens of Stockton, Fresno, Merced, Berenda, Madera, Modesto, Tulare, Bakersfield and other points in the San Joaquin Valley relative to the construction of the railroad between Stockton and Bakersfield. The Merchants' Freighting Association, having been formed under the leadership of William R. Wheeler to regulate rates by steamship and rail to and from the southern seaboard between San Francisco and Los Angeles and other Southern California points by putting on competing steamers if

necessary, a conference was brought about between representatives of the Pacific Coast Steamship Company and Messrs. Wheeler and Leeds, which resulted in the formulation of a schedule of rates which was satisfactory to the merchants, and which was put into effect. The navigation of the San Joaquin River was also investigated to some extent.

In June, 1893, Alvinza Hayward, Barry Baldwin, Isaac Upham, John T. Doyle, F. W. Van Sicklen, Robert Watt, Charles M. Yates, Frank Dalton and J. S. Leeds were appointed a committee to solicit subscriptions for the stock of the proposed railroad through the San Joaquin Valley, to be known as the San Francisco and San Joaquin Valley Railroad. The League of Progress was recognized, and the President and Traffic Manager were authorized to arrange with the League to procure subscriptions for the stock of the railroad.

The proceedings before the Legislature, early in 1893, looking to the removal of the Board of Railroad Commissioners, the adoption of a distance tariff, and a Constitutional amendment were not successful. The condition of the North

American Navigation Company after a time became precarious. Hard times made it impossible to get much money for the proposed railroad to compete for local business. The San Francisco and Great Salt Lake Railway had also failed as an enterprise, and had been formally abandoned. When the time for the annual meeting arrived, progress was seen to have been temporarily arrested. The bright part of the picture was supplied during the earlier months; but the annual report of the Executive Committee, which reviewed the changes made in the situation by the operation of the North American Navigation Company was re-assuring and there was no faltering. It was this courage that eventually wrested victory from repeated repulses. The Transcontinental Association seemed to have been disposed of permanently, which was much cause for congratulation.

The Executive Committee appointed October 25, 1893, included a large majority of those who had conducted the contest, representing the Association from the first. A few new names were introduced. The members elected were John F. Merrill, F. W. Van Sicklen, B. F. Dun-

ham, Ansley G. Davis, John T. Doyle, Robert Watt, Isaac Upham, Jay Deming, Alvinza Hayward, S. N. Griffith, A. J. Marcus, Barry Baldwin, Leon Sloss, Charles M. Yates, George T. Marye, Jr., W. P. Redington, Thomas Magee, C. T. Settle, and W. H. Wood. Barry Baldwin was re-elected President; Robert Watt, First Vice-President; F. W. Van Sicklen, Second Vice-President; Isaac Upham, Treasurer; and Thomas J. Haynes, Secretary. J. S. Leeds was re-engaged as Traffic Manager. The various occurrences connected with the North American Navigation Company during this year are detailed in another chapter, devoted particularly to the history of that Company. At a noteworthy meeting at which The Traffic Association, Chamber of Commerce, Board of Trade of San Francisco, Produce Exchange of San Francisco, Stock Exchange, and California League of Progress were represented, seventy-three thousand two hundred dollars ($73,200) was subscribed in a very short time of the one hundred thousand dollars ($100,000) necessary to keep the competing steamers in operation when funds were low. Isaac Upham was a prominent figure in the proceedings.

In May, 1894, the construction of a railroad from Stockton to Fresno or Bakersfield, which had been permitted to slumber for a time, again came under consideration. A new name was adopted; viz., the San Francisco, Stockton and San Joaquin Railroad Company. This project was prosecuted throughout the year 1894. Barry Baldwin resigned the Presidency of the Association, and Thomas J. Haynes resigned as Secretary. Isaac Upham was elected President, B. F. Dunham, Treasurer, and Hosmer W. Leeds, Secretary. Independent candidates for Railroad Commissioners, to whom the support of the Association was pledged, were selected. These were H. M. LaRue, Alfred J. Marcus, and W. W. Phillips. Mr. LaRue alone of these candidates was elected, he having the Democratic nomination also.

The prospects for bringing into existence the proposed competing railroad through the San Joaquin Valley varied from time to time, but no definite result was reached prior to the third annual meeting of the Association. It was necessary to secure stock subscriptions amounting to three hundred and fifty thousand dollars

($350,000), or one thousand dollars ($1000) per mile, as a legal basis for the incorporation of the railroad. Only about one hundred and fifty thousand dollars ($150,000) had been pledged, and it was found necessary to extend the time for taking subscriptions six months.

When the annual meeting was held in 1894, the steamship line between New York and San Francisco, on both sides of the Isthmus, was controlled solely by the Panama Railroad Company, but the low rates which had been brought about by the active participation of the San Francisco merchants as competitive carriers, were still maintained, and permanent competition seemed to have been established. The Executive Committee appointed to serve from October 24, 1894, for one year, consisted of Isaac Upham, Robert Watt, F. W. Van Sicklen, B. F. Dunham, Alvinza Hayward, A. J. Marcus, Charles M. Yates, John T. Doyle, C. T. Settle, E. A. Phelps, Ansley G. Davis, Jay Deming, Thomas Magee, L. H. Bonestell, N. P. Cole, Mathias Meyer, Edward Brown, W. P. Fuller, and Fulton G. Berry of Fresno. Mathias Meyer resigned, and John Taylor was elected as a member of the

Committee. Mr. Leeds was re-engaged for another year.

The present year (1895) opened with only the competing railroad immediately in view to engage the energies of the Association, but the Association was unalterably committed to this. It was resolved on January 10, 1895, upon motion of John Taylor, Mr. Marcus seconding, that a committee consisting of the President, Vice-President, and Traffic Manager, be requested to prepare a letter to be sent to all parties interested in the proposed railroad, and requesting them to attend a meeting to be held January 22, 1895. This letter as prepared was as follows:

Office of The Traffic Association of California,

SAN FRANCISCO, January 17, 1895.

Dear Sir:—The proposition of constructing a railroad in the San Joaquin Valley under the auspices of this organization is too well understood by this community to require an introduction; and the necessity of the road to the commercial, financial, and real estate interests of this City and the State is too apparent to require lengthy discussion.

We regard it as a necessity to enhance and sustain values of real estate and at the same time become an insurance upon the mortgage loans both in this city and in the country. It is a necessity also for the increased business it will create and bring to San Francisco to sustain an important and waning commerce, to which the large number of empty stores, offices, and houses, and the decline of rents and values of realty bear testimony and present an argument more potent then words we can utter.

The situation in the State north of Tehachapi is too well understood throughout our whole country to admit of the expectation that immigrants of intelligence will seek to make their homes in the San Joaquin Valley to become the peons of the Southern Pacific Company, or that capital will seek further investment in this city or that valley under such conditions as exist at present. The Southern Pacific Company have discounted the future of California too far in advance.

This Association has carefully canvassed the mercantile community for subscriptions to the capital stock of the road, and while they express a thorough willingness to take a liberal share, they will not do so to any large extent unless the co-operation of the real estate and financial interests is secured.

We respectfully request that you give this matter your careful consideration and join hands with us for the upbuilding of the State—especially this city. We believe the necessity is urgent and the situation for your city critical. We assure you that it makes a vast amount of difference to San Francisco who builds the road in the valleys of California, involving absolutely the future prosperity or adversity of this city. Another road in these valleys, governed by the same instincts and incentives which prompts the one we now have to subserve everything to the long overland haul and to discriminate against this city, as is done when the charge is more for the movement of freight between San Francisco and the valley than is exacted for ten to twenty times the service in the opposite direction, would render San Francisco completely subservient, and make it the supplicant for such favors as it might serve the interests of such roads to grant.

These are facts too important to let pass unheeded. It is of the utmost importance that San Francisco shall act promptly. To this end we have extended invitations to the large number of persons, who, like yourself, are interested in the future prosperity of San Francisco, and we earnestly request you to meet them and this Committee to consider and discuss this problem, at the rooms of the Chamber of Commerce on Tues-

day, January 22, 1895, at two o'clock P. M. Respectfully submitted by order of the Executive Committee,

ISAAC UPHAM, *President.*

What had been said by Traffic Manager Leeds concerning the possible future of the San Joaquin Valley and the influence for development to be exerted by the construction of the competing railway through that section, undoubtedly took firm hold on the public mind. There has been no reasoning running counter to the proposition laid down by him. Hence it was argued that the road would not only be profitable, but would serve a very useful purpose in developing the resources of the State and in bringing relief from arbitrary rates and discriminative methods on the part of the existing transportation lines.

The Executive Committee endorsed the view of Mr. Leeds that "a railroad in this valley can rely with almost certainty each year upon traffic in all portions of the valley where irrigation is practicable, and with almost unerring certainty upon a sufficiency of moisture in the foothill country of the western slope of the Sierra Nevada Range, to produce a crop." It was further shown

that the traffic of the Southern Pacific Company in the valley increased five fold in five years. The territory of the valley was an empire in itself.

At the time of the organization of the Traffic Association, only 2,505,800 acres were under cultivation, or about 14 per cent; and the succeeding three years were not favorable owing to financial depression, in addition to local causes, for reasonable development. There were susceptible of irrigation at least 4,520,000 acres as estimated, or nearly 26 per cent of the arable valley. It was a glittering picture indeed, appealing to hope.

"There are," it was also ascertained, "on the mountain sides, at least 2,000,000 acres of mill timber of the choicest character, besides vast quantities in adjoining counties." Horticulture was supposed to be in its infancy, there being in 1892 only 83,498 acres in bearing, and 30,039 acres not yet in bearing. The possibilities, with proper encouragement, of horticulture and the introduction of immigration were considered to be beyond comprehension, for, as the report went on, "It is considered that an acre devoted to

horticulture yields in tonnage for the railroad three or four times as much as any other crop, and the product yields a better rate per ton than wheat or cereals, requiring more labor in proportion of area of crop, and hence, more people require supplies, thus creating more traffic for a railroad."

The population was sparse, and yet in 1892 10,000 carloads of the product of the orchard and vineyard, 390,000 tons of wheat, and large quantities of barley, hay, vegetables, live stock, wool, lumber, etc., were produced. It was also held that a railroad would have a large business transporting general merchandise, implements, machinery, coal, salt, cement, lime, and other building materials.

"Petroleum in large quantities is also found, as well as asphalt, and latterly a very superior quality of lignite coal has been developed in such vast quantities and so cheap of production as to bid fair to revolutionize the fuel question of the whole State, offering a steam coal cheap enough to encourage very materially the establishment of industries in this city and in the valley, which is impossible under present con-

ditions. In reality there is no other portion of our whole country so prolific in resources for a large and profitable local trade."

These conditions were a powerful incentive to promote action, for it appeared not only would emancipation follow effort in this direction, but the projectors were assured that their expectation of profit in the enterprise was reasonable. From the same authority are derived these additional statements, which helped to stimulate the people to action.

"If there is any doubt in the mind of any one as to the causes which retard the growth of the State, a few facts here stated will help to place the responsibility where it belongs. The capitalization of the lines of the Southern Pacific Company in the State, including the Central Pacific (including the Government debt), is as follows:

Funded debt, 3,498 miles (bonds) or $45,630.40 per mile.	$159,615,180
Capital stock..... or $47,258.80 per mile.	165,311,300
Total.....	$324,926,480

Leaving out Central Pacific.

Funded debt, 2,138 miles (bonds)	$70,615,300
or $33,028.75 per mile.	
Capital stock.....	97,311,300
or $45,515.00 per mile.	
Total.....	$167,926,480
or $78,543.75 per mile.	

"The above is on the basis that the capitalization of the line between Mojave and the Needles which is under perpetual lease to the Atlantic and Pacific road is not included in the annual report of the operations of the Southern Pacific Company for the year 1891.

"The gross earnings on the 3498 miles for 1891 were thirty-one million five hundred and fifty-five thousand seven hundred and sixteen dollars ($31,555,716), or nine thousand and twenty-one dollars ($9021) per mile, which, if properly segregated and apportioned, would show that this State is assessed at least ten thousand dollars ($10,000) per mile in order to pay interest on this excessively over-capitalized property.

"In 1891 California had 277 people per mile of railroad, and paid to the railroads in earnings in the State twenty-four dollars and thirty-eight

cents ($24.38) per capita. This includes no earnings by any water lines through or local. Considering that most of our fuel and a large portion of our building material, as well as vast quantities of our produce (not including exports), move by water, a conservative estimate would be an annual tax for transportation, assessable to the State of California, of thirty dollars ($30) for each man, woman, and child in the State, or an aggregate of over thirty-six million dollars.

"In 1891 the State of Kansas, which has no water transportation, paid eighteen dollars and twenty-three cents ($18.23) per capita, and had only 160 people per mile of railroad, or 117 less than California. For the same period the State of Nebraska, which also has no water transportation, paid eighteen dollars and eleven cents ($18.11) per capita, and had only 200 people per mile of railroad, or 77 less than California."

The large earnings of the Southern Pacific Company in the San Joaquin Valley could only be attributed to the high prices paid by the less than 200,000 persons living there at that time.

Curiosity may be entertained in the future, under new conditions, concerning the legislation

which in 1892–93 was considered by the Executive Committee essential to the prosperity of the State. A pledge, of which an outline is herein given, was formulated for presentation to candidates for seats in the Senate and Assembly. An address to the voters was also issued recapitulating the pledge submitted to candidates, and also naming those candidates who had voluntarily signed it.

"The State has suffered," the voters were told, "and is now suffering untold loss by reason of the unjust and grossly discriminating local rates exacted by the carriers within its limits. We therefore conclude that the proper legal regulation of the carriers within the limits of the State is the most important question which presents itself to the people at this time, and that such regulation must be necessarily accomplished by legislative methods properly and intelligently directed."

The individual pledge exacted from each and every candidate was as follows:

First—That such measures shall be adopted as will compel all railroads to pay their taxes in full, delinquent and current, as other property in the State is taxed.

Second—To pass a bill immediately upon the convening of the Legislature, so amending the Constitution as to abrogate that portion which provides for the regulation of rates and fares and the provision for the State Board of Railroad Commissioners, and at the same time place the regulation of transportation companies in the hands of the Legislature, removing any and all judicial features which may in any way interfere with such regulation.

Third—That such amendment shall be immediately submitted to the voters of the State for ratification, so that the same session may pass the necessary bills for the regulation of all transportation companies in the State.

Fourth—Pledge the passage of a bill providing a uniform classification and a maximum tariff which will provide reasonable rates between all points in the State; taking out the discriminative features which now exist; introducing such commodity features as will provide for reasonable rates on cereals, live stock, orchard products, and all other products and manufactures of the State.

Fifth—To provide for a Board of Three Commissioners to supervise the transportation compa-

nies of the State, to be elected by the State at large; one for two, one for four, and one for six years; one commissioner to be elected at each succeeding general election. Making necessary provision for removal from office on account of inattention to or dereliction of duty; said Board to be invested with all the powers which are conferred upon the present Board of the State of Iowa, except that in no case shall they exceed the maximum tariff provided by the Legislature.

Sixth—That this shall be made the special work and mission of each candidate so pledged (if elected) until accomplished, and that no adjournment will be consented to until this work is done.

The Legislative programme ultimately failed because of the action of the "hold-over" Senators. Colonel T. F. Barry, J. S. Leeds, and Barry Baldwin worked hard to carry the plan through, but were unable to reach success.

The signers of this pledge were many. The following Senatorial candidates enrolled themselves under the pledge: Noble Martin, H. C. Gesford, B. F. Taylor, William Morris, W. H. Fry, Elliot McAllister, Silas March, William J.

Greer, William J. Dunn, J. D. Horan, F. A. Potter, Thomas F. Mitchell, Munro Greenwood, William J. Biggy, Charles S. Arms, J. K. Phillips, John Fay, John C. Gore, Joseph W. Ward, Bart Burke, W. N. Greer, D. C. Feely, W. E. Shepherd.

The following named candidates for the Assembly also signed the pledge: Thomas Duffy, A. J. Bledsoe, Aaron Bell, T. W. H. Shanahan, Leon Luighton, George Ohleyer, George A. Sturtevant, Joseph Sheppard, George W. Simpers, L. L. Hutson, D. J. B. Schroebel, James Farrier, Thomas P. Cusick, Fredrick Emery, Peter J. Kelly, William T. Boyce, Samuel A. Leffingwell, Israel S. Cohen, S. H. Phillips, R. W. Ketcham, E. E. Drees, John Johnson, James H. Wilkins, H. F. Emeric, William Shafer, Richmond Luttringer, George C. Sargent, J. M. Higgins, E. T. Nebens, Joseph G. Gallagher, John Brownlee, Thomas W. Burke, Robert Cress, Audrew G. Maguire, Bert Schlessinger, W. T. Kibbler, Thomas L. Vulicevich, J. W. Keys, Julius Kahn, R. L. Thomas, Edwin A. Street, Lewis A. Phillips, Edmond Godchaux, O. D. Baldwin, Henry Warfield, Samuel Shaen,

William Hendrickson, Jr., H. W. Bracken, Joseph M. Marks, A. Decourtieux, William H. Gately, Hugh Stewart, John Hayes, Hugh O'Neal, Thomas B. Russel, A. Bretz, William A. Boscon, L. W. Kimball, J. F. Faulk, Francis H. McLean, Edward McGuire, J. B. McDonald, Bernard Conway, J. J. Kennedy, John E. Buckley, J. A. Williams, Alonzo McDermott, M. J. Hurley, Charles N. Hitchcock, P. R. Adams, F. Garrigus, H. H. Johnson, J. B. Seely, H. K. Robin, Robert Summers, Massey Thomas, B. O. Marston, W. H. Barron, G. S. Nash, H. T. Besse, H. J. T. Jacobsen, W. S. Cunningham, S. Townsend, W. Davison, E. A. Pueschel, James Morgan, S. N. Androus, M. P. Snyder, N. J. Mills, D. J. Johnson, F. B. Whiting, Charles H. Forbes, E. C. Deering, T. F. Kerr, J. G. Wright, R. O. Baldwin, F. H. Holscher, Joseph F. Coffey, T. F. Burns, J. L. Sargent, Henry Lukes, A. R. Downing, O. A. Shaw.

In judging the results achieved by The Traffic Association, it should be borne in mind that the Association had no fund to draw upon to purchase ships or to build railroads. Its income consisted solely of the dues paid by its members.

It was entitled to and retained the confidence of the public. Around it rallied others. It was the central force, and the workers in its ranks will be accorded great credit by all dispassionate observers of the events in which they were the leading actors.

The first location of The Traffic Association offices was in the building at the northeast corner of Market and Sansome Streets, above the Wells, Fargo Bank. Subsequently the Association moved to 214 Pine Street, between Sansome and Battery Streets, in the building owned by Daniel Meyer. The mercantile organizations of the city provided the free use of their Assembly Halls for the annual meetings of the Association and in this way the Chamber of Commerce of San Francisco and the San Francisco Board of Trade showed their good-will toward the enterprise.

The first President of the Traffic Association, James B. Stetson, held office from the organization of the Association until May 10, 1892. He then resigned as President, but not from membership on the Executive Committee. Fred L. Castle, who succeeded him, served as President

from May 17, 1892, until the annual meeting, October 26, 1892, when he was compelled to retire by reason of serious illness. Barry Baldwin was President from October 29, 1892, until June 6, 1894. Isaac Upham was elected President, June 6, 1894, and remains in that position (April, 1895.)

Of the first Executive Committee, the following have remained in continuous service up to the date of this publication: John T. Doyle, Robert Watt, B. F. Dunham, F. W. Van Sicklen, Alvinza Hayward, Charles M. Yates, Isaac Upham, A. J. Marcus and C. T. Settle.

A complete list of those who, at various times, were members of the Executive Committee, in addition to the foregoing, is as follows: Fred L. Castle, Barry Baldwin, John Taylor, W. H. Wood, W. B. Wellman, A. Schilling, Thomas Magee, L. L. Baker, E. B. Beck, A. W. Porter, A. S. Hallidie, Frank Dalton, S. N. Griffith, Walter M. Castle, Hermann Bendel, Ansley G. Davis, John F. Merrill, Jay Deming, Leon Sloss, George T. Marye Jr., W. P. Redington, A. H. Vail, M. Ehrman, L. H. Bonestell, N. P. Cole, W. P. Fuller, Mathias Meyer, Edward Brown, E. A. Phelps and Fulton G. Berry.

J. S. Leeds resigned the office of Traffic Manager, April 1, 1895, and withdrew from further work in connection with the Association, returning East. A few days later the Executive Committee adopted, by a rising vote, the following:

"*Whereas*, Joseph S. Leeds has with zeal, ability, unflinching courage and conspicuous success, served The Traffic Association of California as Traffic Manager continuously during the period embraced between December 1, 1891, and March 31, 1895; and

"*Whereas*, This Association perceives that his acts in California have fully justified the wisdom of the choice made by the Executive Committee; and that he has given to the work of this Association, without stint, the benefit of all the knowledge of transportation and transportation conditions acquired by him during a long term of years, rich in experience, while he occupied prominent executive positions with the great railway systems of the United States; therefore be it

"*Resolved*, By this Executive Committee expressing the sentiment of this Association, that while this Committee has accepted, with

regret, the resignation tendered by Joseph S. Leeds, we desire to place on record our conviction that his name will rank high in the list of those who have pioneered the way to the commercial emancipation of California.

"*Resolved*, That the thanks of this Association, coupled with wishes for his future prosperity, are hereby tendered by this Executive Committee to Joseph S. Leeds.

"*Resolved*, That these resolutions be duly entered in the minutes of The Traffic Association of California; that a copy be transmitted to Mr. Leeds; also that copies be furnished to the daily newspapers for publication."

Hosmer W. Leeds resigned April 3, 1895, the position of Secretary, and Charles M. Yates, of the Executive Committee, was elected Secretary. At this time it was decided, in view of the fact that the regulation of rates would probably be effected by the operation of the San Francisco and San Joaquin Railway, and other roads liable to be constructed, to give up the offices on Pine Street, and to discontinue active operations until some emergency should arise. The old Board of Officers and Executive Committee continued to serve.

MEMBERS OF

THE TRAFFIC ASSOCIATION OF CALIFORNIA.

SAN FRANCISCO.

Alaska Improvement Co.
H. Levi & Co.
A. Schilling & Co.
Dodge, Sweeney & Co.
Siegfried & Brandenstein
Root & Sanderson
Wellman, Peck & Co.
Christian Froelich
Sherwood & Sherwood
Holbrook, Merrill & Stet-
Deere Implement Co. [son
Hawley Bros. Hardware
A. Lusk & Co. [Co.
Roth & Co.
Naber, Alfs & Brune
Wm. Wolff & Co.
Osborn & Alexander
S. F. Breweries (Lt'd)
C. B. Parcells
J. C. Johnson & Co.
Truman, Hooker & Co.
Macondray & Co.
A. I. Hall & Son [& Co.
Wangenheim, Sternheim
D. N. & E. Walter & Co.
Robert L. Toplitz & Co.
W. Davis & Son
Neuberger, Reiss & Co.
I. S. Van Winkle & Co.
Thomas H. B. Varney
Luscombe & Isaacs
J. C. Siegfried
Kahn Bros., Klein & Co.
Sachs Bros. & Co.
John T. Doyle
Murphy, Grant & Co.
Lewis Meyerstein
M. Heller & Sons
Brown Bros. & Co.
Neustadter Bros.
Cahn, Nickelsburg & Co.
H. M. Newhall & Co.
Louis Sloss & Co. [Welch
Cunningham, Curtiss &
Bonestell & Co.
Palmer & Rey
I. Ivancovich & Co.
E. J. Bowen
Trumbull & Beebe
Eugene Avy
Stiner, Straus & Hyman
Jules Levy & Bros.

SAN FRANCISCO.

Muser Bros.
Williams, Marvin & Co.
Easton, Eldridge & Co.
California Barrel Co.
W. & J. Sloane & Co.
C. W. Callaghan
F. G. Conklin & Co.
Chas. Mayer Jr. & Co.
Smith, Stoll & Co.
Bronn & Metzner
Will & Finck
Davis Bros.
Eagleson, Hawkins & Co.
S. H. Frank & Co.
L. D. Stone & Co.
Geo. H. Tay & Co.
American Biscuit Co.
Schweitzer & Co.
Tillman & Bendel
Hoffman, Alexander & Co.
Kline & Co.
C. H. Gilman & Co.
Coblentz, Pike & Co.
Paraffine Paint Co.
C. F. MacDermott
G. G. Wickson & Co.
Whittier, Fuller & Co.
Yates & Co.
Taylor, Nason & Co.
Porter, Slessinger & Co.
W. Cohen & Co.
Bachman Bros.
Levi, Strauss & Co.
Rosenthal, Feder & Co.
L. Dinkelspiel & Sons
G. M. Kutz & Co.
Cerf, Schloss & Co.
Payot, Upham & Co.
Arnold, Pollak & Co.
Loewe Bros.
A. B. Patrick & Co.
A. C. Nichols & Co.
H. Dutard
C. E. Whitney & Co.
Castle Bros.
Livingston & Co.
E. R. Stevens & Co.
Marshall, Taggart & Brorson
Dalton Bros.
Wolf & Sons
Erlanger & Galinger
D. Keefe & Co.
Porter Bros. & Co.
Murray & Johnson
Schacht, Lemcke & Steiner
John F. English
Baker & Hamilton

SAN FRANCISCO.

M. Ehrman & Co.
Wolters Bros. & Co.
Meyerfeld, Mitchell & Siebenhauer
T. K. Moore & Co.
Geo. W. Hume & Co.
Carmen Island Salt Works
Dimmich & Low
Armes & Dallam
The Wertheimer Co.
Scotchler & Gibbs
Moore, Hunt & Co.
Coghill & Kohn
Spruance, Stanley & Co.
W. B. Sumner & Co.
Hildebrandt, Posner & Co.
Allison, Gray & Co. [Co.
Johnson, Locke Mercantile
M. S. Grinbaum & Co. (Lt'd)
De Bernardi, Westphal & Co.
Metropolitan Match & Commercial Co.
Jacobs & Brandt
W. D. McArthur
Russ, Sanders & Co.
Reiss Bros. & Co.
Norton, Teller & Co.
Miller, Sloss & Scott
Anglo-American Crockery & Glassware Co.
Daniel Meyer
J. C. Rued & Co.
Paul Keyser
The Sawyer Tanning Co.
M. & C. Mangels
Martin, Fusier & Co.
S. P. Taylor Paper Co.
Kron Tanning Co.
Dickson, De Wolf & Co.
The Carlson-Currier Manufacturing Co.
John A. Stanley
Nolan Bros.
Phelps & Miller
J. J. Pfister Knitting Co.
E. A. Hubbard & Co.
Thos. Day & Co. (Lt'd)
R. A. Swain & Co.
Sherman, Clay & Co.
Seth Thomas Clock Co.
B. M. Atchinson & Co.
S. B. Dinkelspiel & Co.
Swain Bros.
E. Raas & Co.
Joshua Hendy Machine Works

SAN FRANCISCO.

Pacific Steam Whaling Co.
Hills Bros.
Haas Bros.
J. A. Folger & Co.
Carolan & Co.
Fontana & Co.
Merry, Faull & Co.
Williams, Brown & Co.
Field & Stone
Sperry & Co.
Roth, Blum & Co.
S. L. Jones & Co.
Dutton & Partridge
Hyman Bros.
W. S. Hobart
A. Hayward
Esberg, Bachman & Co.
Girvin, Baldwin & Eyre
Moore, Ferguson & Co.
A. B. Forbes
Giant Powder Co.
W. F. Beck & Co.
Lowenberg Bros.
Cabrera, Roma & Co.
W. I. Morgan & Co.
Howard, Harris & Co.
W. E. Hollaway (J. W. Grace & Co.)
Balfour, Guthrie & Co.
Pacific Roll Paper Co.
Langley & Michaels Co.
Alfred Greenebaum & Co.
Union Iron Works
John Taylor & Co.
Allison, Neff & Co.
American Oil Co.
Arnett & Rivers
Abramson, Bacon & Heunisch
Schmidt Label & Lithographic Co.
Simonds Saw Co.
Frank Bros.
Holt Bros. Co.
Dunham, Carrigan & Hayden Co.
Dow Steam Pump Works
Pelton Waterwheel Co.
Risdon Iron & Locomotive Works
Francis Smith & Co.
C. L. Dingley & Co.
Geo. H. Fuller Desk Co.
E. H. Marwedel
Hulse, Bradford & Co.
Indianapolis Furniture Co.
Heywood Bros. & Co.
Wisconsin Furniture Co.
D. Samuels
Raphael Weill & Co.

SAN FRANCISCO.

Fred W. Spencer
Brown, Craig & Co.
L. P. Drexler
Shoobert, Beale & Co.
California Wire Works
Parke & Lacy Co.
Jones & Co.
D. L. Beck & Sons
Tatum & Bowen
H. P. Gregory & Co.
Rix & Birrell
Hinckley, Spiers & Hayes
Bissinger & Co.
W. D. English
American Straw Works
Carrick, Williams & Wright
Fisher Packing Co.
G. Verdier & Co.
C. H. Reynolds
California Furniture Manufacturing Co.
Wakefield Rattan Co.
F. M. Smith
Frank W. Rossback
Wetmore Bros.
The Harry Unna Co.
Redington & Co.
The Dickman-Jones Co.
Roos Bros.
H. Liebes & Co.
San Francisco News Co.
Mathias Gray & Co.
C. F. Weber & Co.
Kohlberg, Strauss & Froh-man
Herrmann & Co.
Union Pacific Salt Co.
B. F. Barton
Christy & Wise
B. P. Flint
Consumers Ice Co.
Haslett & Bailey
Thomas Magee
C. T. Settle, San Jose
Baker & Hamilton, Sac'to
Stanton, Thomson & Co., "
W. H. Wood & Co. "
The A. S. Hopkins Co., "
The Sullivan, Kelly Co., "
Locke & Lavenson, "
The L. Elkus Co., "
Newbourg & Co., "
S. N. Griffith, Fresno
M. M. Estee
Sanborn, Vail & Co.
Anglo-Swiss Colony
J. W. Morshead
A. L. Bryan Shoe Co.
Osborn Hardware & Tool Co.

SAN FRANCISCO.

Buckingham & Hecht
Judson Fruit Co.
Buyer & Reich
Taylor Goodrich
Newman & Levison
John Horstman
Adolph Sutro
S. Levy & Co.
Baldwin & Hammond
Stearns Manufacturing Co.
Thos. Sullivan
C. R. Winslow
San Francisco Tool Co.
Edward Hull
W. G. Richardson
Geo. T. Marye Jr.
Thos. L. Lyons
Clabrough, Golcher & Co.
J. J. O'Brien & Co.
The Hamburger Co.
Justinian Caire
F. G. Newlands
Woonsocket Rubber Co.
W. P. Whittier
Washburn & Moen Manufacturing Co.
Albion Lumber Co.
Irvine Steuart
New Zealand Insurance Co.
Abner Doble
J. C. Winans
E. Garnier & Co.
Schussler Bros.
A. Crawford & Co.

III.

FIRST COMPETING RAILROAD.

FIRST COMPETING RAILROAD.

THE appeal of the Executive Committee of The Traffic Association for assistance in building a competing railroad was in such terms that its purpose could not be mistaken. Indeed, there was no doubt that the attempt to secure competing railway lines would now be abandoned by The Traffic Association, if the Association did not at this time secure aid from the large real estate owners and leading moneyed interests of the city. It was also reasonably certain that if railroad building failed to receive encouragement, The Traffic Association would be found without any present work, and the existence of the organization would draw near to a close. The memorable meeting in the Chamber of Commerce Hall, on the twenty-second day of January, 1895, and the pleasing events which immediately, or with very little delay, succeeded, are now fresh in memory. Their full significance appears to be fully understood. It is a pleasing duty to set them down in order for future refer-

ence, for on the twenty-second of January, 1895, San Francisco, which had for a period of years been getting in readiness for the decisive moment, uttered a new declaration of independence.

Many millions of money which were centered in commerce, and many more millions invested in San Francisco real estate; banking houses concerned in the prosperity of the great farming regions of the State; the hard and faithful workers of The Traffic Association — generally speaking, representative San Francisco, was in evidence at this meeting. It has often been said, "Young men for war and old men for counsel"; but on this occasion a majority of those present were grey-haired and well advanced in life. There were, among the attendants, many California pioneers. Success had set its seal to indicate the energy, enterprise, and sagacity of the assemblage. In the minds of The Traffic Association members, who had resolved to call this meeting, recollections of what had been done were mingled with hope for the outcome. Events which had preceded were as follows:

The San Francisco and Great Salt Lake Railway was incorporated May 26, 1892, by Alvinza Hayward, Daniel Meyer, William Babcock, E. L. G. Steele and E. F. Preston, with a capital of two million dollars ($2,000,000), to build between San Francisco and Stockton, the line to be completed between those points in three years. The intention of the projectors was to build from San Francisco to Salt Lake, using several incorporations for that purpose. One incorporation was to be formed in Nevada to secure a subsidy offered by that State for the construction of a competing road to San Francisco. It was proposed to occupy both the Sacramento and San Joaquin Valleys and to reach out to Salt Lake with the main purpose in view of furnishing an independent outlet and inlet for California; to re-establish San Francisco as a centre of distribution; to control the trade of the interior of the State with local lines, independently operated. This enterprise originated in a suggestion made by J. S. Leeds to Alvinza Hayward, who invited capitalists to discuss the matter in his private office on California Street.

Forty public-spirited citizens associated them-

selves in a syndicate and paid in one thousand dollars ($1000) each to provide the money for the expense of a preliminary survey. The cost of the entire road between San Francisco and Salt Lake was estimated at thirty millions of dollars. A competent engineer, W. H. Kennedy, was employed, and he surveyed a route from a point in Alameda County near Fruitvale Station on the Southern Pacific road, through the hills and the Moraga Valley to a point on the bay shore near Martinez. Lines were also run through Plumas County, through the Beckwourth Pass, to get across the Sierras. A tract of land was also acquired on the water front near Martinez, where it was proposed to locate grain warehouses, etc., to compete for the large grain shipments of the State. Diligent search has failed to bring to light a complete list of the forty capitalists who went thus far, which failure is regretted.

The subscriptions for the stock of the San Francisco and Great Salt Lake Railway did not reach one million dollars. The incorporators sought to secure law from the State Legislature which would enable them to consolidate with other corporations, but this failed, and after a

time the project was abandoned, being found to be too large for accomplishment at that time. Of this corporation Joseph A. Donahoe was President. All of the survivors, or nearly all of the syndicate of forty are now enrolled in the list of subscribers to the stock of the present (1895) corporation engaged in preparing to construct a line from San Francisco to Kern County, through the San Joaquin Valley.

The prospectus of the San Francisco and San Joaquin Valley Railroad was issued June 19, 1893, by authority and at the instance of The Traffic Association of California, Barry Baldwin then being President of the Association. Citizens were invited to subscribe to the capital stock of a line to be constructed from the city of Stockton to the head of the San Joaquin Valley in Kern County, the length of the line being about 230 miles. The intention was expressed to ultimately construct a line between San Francisco and Stockton, making a continuous line from San Francisco to the head of the San Joaquin Valley, a total distance of about 350 miles.

The Executive Committee adopted the following, which generally defines the purpose then in

view, and the reasons by which the committee were actuated:

"*Whereas*, There is a great necessity for cheaper as well as more equitable rates of transportation between the seaboard of this Coast and the interior, as well as between points in the interior; and *whereas*, we do not believe that such rates are obtainable at this time, or can be secured in the near future from the railroads now operated in the State, because the policy indicated by their past and present action is antagonistic to the best interests of this city and the State at large.

"*Therefore, be it resolved*, By the Executive Committee of The Traffic Association of California that we put forth every effort possible to secure the early construction of a railroad through the San Joaquin Valley, and that we pledge ourselves to the support of the plan outlined in the prospectus now presented by The Traffic Manager.

"*Resolved*, That we fully approve of the plan of building from Stockton south into the Valley before constructing between San Francisco and Stockton."

The project was dropped after unsuccesful attempts to raise the needed funds. When it was revived in 1894 the Company bore a new name, being known now as the San Francisco, Stockton and San Joaquin Railroad. The route was generally defined to be between San Francisco and a point in Kern County. The capital stock was made six million dollars ($6,000,000), divided into 60,000 shares of the par value of one hundred dollars ($100). A trust was devised to exist for a period of ten years to preserve the road as a competitive carrier. Five Trustees were named, to wit: Isaac Upham, B. F. Dunham, F. W. Van Sicklen, Alvinza Hayward, and Thomas Magee. This project was not formally abandoned. The meeting of January 22, 1895, was called in continuance of the work to establish the San Francisco, Stockton and San Joaquin Railroad. Affairs were destined now to take another turn. Californians were to build the line, but not The Traffic Association of California alone, although the Association found strong recognition for its services, and also for the ability of its leaders in the selection of the first Board of Directors. Claus Spreckels now became

prominently identified with the Valley road project.

It is now convenient to recur to the meeting of January 22, 1895. E. B. Pond, one of the Directors of the San Francisco Savings Union, presided, Hosmer W. Leeds acting as Secretary. The bank which Mr. Pond represented had shown its public spirit by previously subscribing fifty thousand dollars ($50,000) for the stock of the San Francisco, Stockton and San Joaquin Railroad. Isaac Upham, as President of The Traffic Association, called the meeting to order, and asked those assembled to subscribe enough to make up a total of three hundred and fifty thousand dollars ($350,000) of which less than one-half had been previously raised. E. B. Pond, Thomas Magee, J. S. Leeds, Daniel Meyer, S. N. Griffith, A. P. Williams, E. F. Preston, Frank J. Sullivan, Robert Watt, and Claus Spreckels were among the speakers. Picturesqueness was lent to the proceedings by the remarks of Thomas Magee, who said he had been told in the San Joaquin Valley that of every three drops of rain that fell there, two of them were owned by C. P. Huntington. Claus

Spreckels predicted "that if we start this road with one-half million dollars, it will never be built." He wanted the subscriptions to amount to at least three million dollars ($3,000,000), and, if possible, five million dollars ($5,000,000). Before the meeting adjourned, the Chairman, Mr. Pond, was authorized to name a Committee to solicit subscriptions. Many offers of subscriptions were made before the meeting closed, among them one of fifty thousand dollars ($50,000) by Claus Spreckels. The committee provided for by the meeting, as announced the day following, consisted of Claus Spreckels, Alexander Boyd, James D. Phelan, O. D. Baldwin, Daniel Meyer, W. F. Whittier, Albert Miller, Charles Holbrook, Thomas Magee, John T. Doyle, and E. F. Preston.

No time was lost. This committee came together the next day after the appointment was announced. The following day news was made public that Claus Spreckels had personally subscribed five hundred thousand dollars ($500,000), and that J. D. Spreckels and Adolph Spreckels had each subscribed one hundred thousand dollars ($100,000). This start gave the enterprise

a decided impulse. A little later the committee was increased in size by the addition of the names of Lewis Gerstle, Levi Strauss, Christian de Guigne (representing the Parrott estate), J. P. Martin (representing the Sharon estate), Andrew B. McCreery and Alfred Borel. The assistance of others was welcomed and the Executive Committee of The Traffic Association engaged with great vigor in securing subscriptions.

In less than a week from the meeting in the Chamber of Commerce, the Committee—which for convenience will be designated the Committee of Promotion, a name which it generally bore in the daily papers—had decided to fix the capital stock at six million dollars ($6,000,000), and Claus Spreckels announced that "the road is bound to go, and nothing can stop it." The road was named the San Francisco and San Joaquin Valley Railway. The terms of subscription were speedily arranged, but carefully. Large subscriptions were quietly secured. The greatest enthusiasm was caused throughout the State by the vigorous manner which characterized the conduct of the work now in hand. A

flood of congratulations flowed in daily upon the promoters.

When The Traffic Association was organized there were very few citizens who cared openly to antagonize the Southern Pacific Company, which then completely dominated the State. Three years of advancing labors, and this open prospect of popular success served to reveal the real drift of public opinion. California was not dead, but sleeping. When the subscription books were first thrown open for public inspection, just one week after the meeting in the Chamber of Commerce, one million one hundred and fifty thousand dollars ($1,150,000) had been subscribed.

These were the original subscribers, and the amounts which they subscribed:

Claus Spreckels	$500,000
Adolph B. Spreckels	100,000
J. D. Spreckels	100,000
W. F. Whittier	50,000
Alvinza Hayward	50,000
Andrew B. McCreery	30,000
A. Borel	25,000
Adam Grant	25,000

Daniel Meyer	25,000
Levi Strauss	25,000
Louis Sloss & Co.	25,000
Charles Holbrook	20,000
Thomas Magee	15,000
E. F. Preston	10,000
James B. Stetson	10,000
Payot, Upham & Co.	5,000

An address to the public was published coincidentally with the opening of the subscription lists to the general public.

"You are called upon as citizens and as Californians to respond to the call and aid in completing this subscription at the earliest practicable moment. The co-operation of every man is desired and is necessary. The Committee who present this proposition to you are neither promoters, contractors, officers nor owners of railroads. The entire scheme and project is as novel to them as to you, and the moving impulse with them as it must be with you is the good, the advancement, the future, and the prosperity of the State of California. The proposition is to make it a people's road, owned by the people, and operated in the

interests of the people, and it is to you as a part of the people that we turn for assistance."

The general plan of organization resembled that of the San Francisco, Stockton and San Joaquin Railroad Company in some particulars. It provided for building from San Francisco to some point in Kern county. The capital stock was fixed at six million dollars ($6,000,000), divided into 60,000 shares of the par value of one hundred dollars ($100) each. Also, there was resemblance to the earlier plan in the provision that the subscribers will place all stock issued to them under the subscription and incorporation in a pool or trust, but it was now provided that the names of the Trustees and the conditions of the pool or trust would be fixed and determined "by a vote of three-fourths of the whole of the stock so subscribed and issued, taken at a meeting to be called on not less than ten days' notice to all the subscribers and stockholders in said corporation."

Over one milllon dollars having been raised in one day, the progress on the second million was quite rapid. Daily the promoters engaged themselves in a personal canvass of the city, and this

spectacle, of so many grey-haired millionaires and leading men of business forsaking their own personal interests to insure a movement for popular advancement, has not been paralleled in any American city. It is inexpedient here to trace in detail the progress of subscriptions, but a complete list of subscribers and amounts of subscriptions to the date of this publication will be found at the end of this chapter.

Large subscriptions were received from the Hobart estate, fifty thousand dollars ($50,000); Mrs. A. M. Parrott, fifty thousand dollars ($50,000); the San Francisco and Fresno Land Company connected with the Bank of California, twenty-five thousand dollars ($25,000); James D. Phelan, twenty-five thousand dollars ($25,000); San Francisco Savings Union, fifty thousand dollars ($50,000); James L. Flood, twenty-five thousand dollars ($25,000); Joseph A. Donahoe, twenty-five thousand dollars ($25,000); the Hearst estate, twenty-five thousand dollars ($25,000); Wm. Sharon estate, twenty-five thousand dollars ($25,000); Lloyd Tevis, fifty thousand dollars ($50,000); Miller & Lux, fifty thousand dollars ($50,000); Stockton Lumber Company,

twenty thousand dollars ($20,000). Among the subscribers were Mrs. D. D. Colton, whose husband had been associated with Messrs. C. P. Huntington and Leland Stanford during the early days of the Central Pacific; also Mrs. Anna Donahue. The Hibernia Savings and Loan Society donated fifty thousand dollars ($50,000), not as a subscription, but as an absolute gift. James R. Kelly was President of the Society, and was largely instrumental in this generous action. The A. A. Hart Company, of New York, reached out across the continent to take one thousand dollars ($1000) worth of stock. Claus Spreckels offered to double his subscription of five hundred thousand dollars ($500,000) conditionally upon the raising of the six million dollars ($6,000,000) in cash.

Delegations came to the city from Stockton, San Jose, and Oakland, offering assistance in behalf of the citizens of those several committees.

The first meeting of the subscribers to the stock of the road was held on the afternoon of February 20, 1895, in the Chamber of Commerce Assembly Hall. John D. Spreckels presided,

Claus Spreckels being ill. The meeting was called to order by Charles Holbrook, and E. F. Preston was the Secretary. Reports of progress were submitted. There had been daily meetings; the contract for subscription, articles of incorporation and a list of the directors recommended for election for the first year had been prepared, and by-laws had been drawn up. The name adopted was the San Francisco and San Joaquin Valley Railway Company. This was a great meeting; probably the most important in a commercial way that has ever been held in San Francisco. None will exceed it in exerting influence upon the welfare of California. The first Board of Directors elected by the stockholders consisted of the following, of whom all but three were members of The Traffic Association: Claus Spreckels, John D. Spreckels, W. F. Whittier, J. B. Stetson, Robert Watt, A. H. Payson, Charles Holbrook, Lewis Gerstle,* Alvinza Hayward, Isaac Upham, and Thomas Magee.

The committee reported "that although the work is but in its inception, the sum of two

*Lewis Gerstle soon retired, and was succeeded by Leon Sloss.

million two hundred and forty-eight thousand dollars ($2,248,000) for 22,480 shares of the stock has been subscribed." The Bank of California was made the temporary treasurer. It had, in fact, received, acting in this capacity, the first installment of all subscriptions up to this date. Resolutions were adopted expressing the thanks of the shareholders to President Isaac Upham, Traffic Manager Leeds, and the members of The Traffic Association, in recognition of public services performed by them, which was a very pleasing circumstance. The spirit of the meeting was also manifested by a preamble and resolutions setting forth that "the commanding influence, amounting to leadership, which has been exercised by Claus Spreckels, in bringing success to this great enterprise, is recognized by the subscribers here assembled."

The road was incorporated February 25, 1895, in the City Hall in San Francisco, and the articles were immediately taken by special messenger to Sacramento, to be filed at the State Capitol with the Secretary of State. The incorporators were Claus Spreckles, W. F. Whittier, Charles Holbrook, John T. Doyle, and E. F.

Preston. The first officers of the road were: Claus Spreckels, President; W. F. Whittier, First Vice-President; Robert Watt, Second Vice-President; Isaac Upham, Secretary *pro tempore*; E. F. Preston, Counsel. Subsequently, Alexander Mackie was elected Secretary; Clarence S. Merrill, Assistant Secretary; W. B. Storey, Chief Engineer.

At the date of this publication (April, 1895) the beginning of construction work on the San Francisco and San Joaquin Valley Railway is near at hand. It is so near that the triumph of those who have long striven together is assured. But after two millions of dollars had been pledged and the popular support had been made sure, a small cloud of danger appeared in the sky.

It was necessary to secure terminal facilities in San Francisco. To accomplish this, legislation was immediately needed. The last week of the session of the California Legislature had nearly arrived when an amendment was introduced to what was known as the Gleaves Bill. This measure was originally designed to permit the State Board of Harbor Commissioners to

lease State property for the sites of water front grain warehouses. The amendment introduced in the interest of the new railroad enabled the Harbor Commissioners to lease for a period of fifty years, for terminal uses, to any railroad corporation not having terminal facilities in the city and county of San Francisco at the date of the passage of this Bill, any property belonging to the State, with the proviso that not over fifty acres should be included in the parcel apportioned to any one road seeking entrance to the city. Provision was also made for right of way through streets to reach the terminal. The measure met with some opposition in the Assembly, various amendments being offered. It finally passed the Assembly in its original form by a decisive vote of sixty to nine. A motion to reconsider was defeated by a vote as decisive. In the Senate the Bill escaped narrowly, having no votes to spare. There were forty members of the Senate and a majority of the whole number was needed, or twenty-one. The vote in favor of the amendment was twenty-one to sixteen. The proceedings were watched intently by a committee of the Directors of the new road who

visited Sacramento to advocate the measure. All that remained to be done to secure the needed ground for a terminal was the signature of the Governor and the approval of the selection of site and execution of the lease by the Board of Harbor Commissioners, of which Board the Governor of the State, James H. Budd, and the Mayor of San Francisco, Adolph Sutro, were constituted members for this purpose by the law just made.

In less than sixty days from the meeting of January 22, 1895, when success had been uncertain and very doubtful, the first engineering corps were in the field, two and one-half millions of dollars ($2,500,000) had been subscribed for stock of the road, and a ship had been chartered from the Johnson–Locke Mercantile Company to bring rails from New York.

Much care and deliberation were exercised in the preparation of the plan of the pool or trust to insure that the line should be maintained competitively. The plan as submitted by the Board of Directors to the stockholders for ratification, contained a preamble which in part was as follows:

"And *whereas*, the rate of charge for transportation of the corps and products of this State from the interior to the seaboard, and merchandise from the seaboard to the interior of the State, have hitherto been excessive, oppressive to the people of the State and destructive to its industry and commerce, and all the parties hereto have become subscribers to the stock of the San Francisco and San Joaquin Valley Railroad Company, and have subscribed therefor and undertaken the construction of said railway for the purpose of effecting a permanent reduction in the cost of transportation between the city and port of San Francisco and the great interior valley of the State by the construction and operation of said road as a competitive means of transportation between said points; and the said parties recognizing that in order to insure the maintenance of such reduction of transportation rates as the fixed policy of the said Company, and to insure the permanence of its competition, the voting power of the stock must be confided to nine Trustees, who shall by its exercise in the choice of Directors and otherwise effect those purposes."

It was provided that the Trustees should vote the stock, etc., and the duties of the Trustees were defined as follows:

"And all of said stock so held by said Trustees, their survivor or survivors, successor or successors, is held subject to the following irrevocable trusts, to wit:

"*First*—To issue by proper transfers to any persons named as directors enough stock of said corporation to qualify said parties to serve as directors for the term for which they are elected, it being always provided that no person shall ever be qualified unless he is the actual beneficiary by trust certificate of as many shares of stock as are necessary to qualify him for the position of a director under the by-laws of the company. That at the expiration of the terms such stock shall be retransferred by said person holding as a director back to the Trustees to be held subject to the trust as herein expressed.

"*Second*—To cause said corporation, the San Francisco and San Joaquin Valley Railway Company, to honestly, economically and as soon as practical, construct said railroad, and when the same shall have been constructed and put in

operation, to cause said corporation to so operate said road that the basis for freights and fares *shall be the lowest rates of charge which will yield sufficient revenue to the company to pay for the proper maintenance, operation and betterment of said road,* together with proper provision for the payment of interest on any bonded indebtedness, if any there be, together with the creation of a sinking fund therefor as required by law; also for the creation of a surplus fund for the use of said road, and the payment to the stockholders of a *sum not to exceed six (6) per cent per year upon the capital stock actually paid into said corporation.*

"*Third*—In the event of the death, resignation or disability of any one of the Trustees, to nominate in writing some holder of a Trustee's certificate to fill each and every vacancy, and upon such written nomination by the surviving Trustees, approved in writing by the holders of trust certificates representing three-fourths (¾) of the capital stock covered by said trust certificates, said Trustee shall from and after the filing of said nomination so approved, with the Secretary of said corporation, the San Francisco and San

Joaquin Valley Railway Company, be as fully vested with said shares of stock and trust as if he were one of the original Trustees above named.

"*Fourth*—The said Trustees agree that all dividends received by them upon the shares of stock in said the San Francisco and San Joaquin Valley Railway Company, shall be allotted, apportioned and paid over by them on demand to the holders of said Trustee certificates hereinbefore provided, ratably, so that the holder of each of said trust certificates shall receive the same amount as he would have been entitled to receive if he had been a stockholder of said railroad company for a number of shares represented upon said trust certificate.

"And said Trustees further agree that they will not knowingly vote said stock for the benefit or in the interest of any person or corporation, or interests hostile to the interest of, or in business competition with The San Francisco and San Joaquin Valley Railway Company, or of or to, or in favor of any party or parties, or company or companies owning or controlling any parallel line of road to the detriment and injury of the corporation hereinbefore mentioned.

"And the said Trustees further agree that the said road shall not be leased to, nor consolidated with, any company which may own, control, manage or operate any of the roads now existing in the San Joaquin Valley, and the Trustees shall not, nor shall their successors, have any power as stockholders to assent to any such consolidation or lease, or in any way to put the said road under the same management as that of any other railroad now existing in the said San Joaquin Valley.

"*Fifth*—Said trust shall continue in full force and effect for the period of ten (10) years from the date hereof, provided that the same shall be terminated at any time before the expiration of said ten (10) years, should the holders of the trust certificates for three-fourths (¾) of the stock held subject to said trust at a meeting called after ninety (90) days' notice in writing to all of the holders of said beneficiary certificates, so request and determine, and provided further that in the event of the death of all of the subscribers hereto at any time before the expiration of ten (10) years, as aforesaid, then this trust shall cease and determine.

"*Sixth*—Upon the termination of said trust, and upon presentation and surrender of said trust certificates to deliver to the owners of each of said trust certificates, certificates for the capital stock of said railway company corresponding in numbers and in par value with the shares of stock which by said certificates the said Trustees are bound to deliver, so that upon the surrender of all of said trust stock certificates the said Trustees will have delivered all of the capital stock of said corporation, the San Francisco and San Joaquin Valley Railway Company.

"And it is mutually agreed that no stock of said corporation, the San Francisco and San Joaquin Valley Railway Company, shall be issued except that the subscriber to said stock becomes a party to this agreement and consents that said stock be issued, and the same shall be issued, to said Trustees, subject to the terms of the trust as hereinbefore expressed.

"And it is further agreed that the Trustees and their successors, holding under and by virtue of the terms of this agreement, shall be ineligible to hold any position or office of profit, or as Director or otherwise, in the said San Fran-

cisco and San Joaquin Valley Railway Company, and that the said Trustees shall not at any time furnish any supplies to said corporation, or be interested, directly or indirectly, in any contract with the said corporation other than as Trustee, and shall act as such Trustee without compensation."

At a meeting of the stockholders of the San Francisco and San Joaquin Valley Railway, held in the assembly hall of the Chamber of Commerce, April 5, 1895, the Trust was approved and the following were named as Trustees of the road: A. B. Spreckels, James Cross, Daniel Meyer, Thomas Brown, James D. Phelan, F. W. Van Sicklen, Lovell White, Christian de Guigne, O. D. Baldwin.

It was voted, at this meeting, that the fifty thousand dollars ($50,000) donated by the Hibernia Savings and Loan Society should be distributed in stock among the charitable institutions of the city. This action was in accordance with a suggestion made by Robert J. Tobin, Secretary of the Society.

The site selected for the terminal of the road in San Francisco was known as the China Basin.

This choice was approved by the State Board of Harbor Commissioners, consisting of Edward A. Colnon, D. T. Cole, and F. S. Chadbourne, and also by Governor Budd and Mayor Sutro, of San Francisco, acting as members of the Board, the Directors of the road having accepted that site. The bill authorizing the lease of this tract was signed by Governor Budd, thus becoming law, March 26, 1895.

As the road was devised to develop California, the first contracts for material were awarded to Californians. John F. Merrill of Holbrook, Merrill & Stetson, received the first contract for rails; Miller, Sloss & Scott the first contract for spikes; the Dunham, Carrigan and Hayden Company the first contract for bolts and nuts.

The success of the railroad project inspired all California with confidence. The belief was commonly entertained that the dawn of a new and better day for California was at hand. The services of the daily newspapers of San Francisco were invaluable. One and all urged with power and ability that the road was a necessity. An era of good feeling came in among the editors and proprietors of the daily

papers and unity prevailed. The Half Million Club was started. The manufacturers of California came to the front to lay claim to the favor of the public and to pledge themselves to upbuild California. The Merchants' Association, having in view the betterment of the city in all material respects, pushed eagerly forward. It is once more repeated that this is the story of an awakening.

In the hour of success the fact should not be forgotten, that some years before the Traffic Association of California came into existence, William M. Bunker, editor of the *Daily Report* newspaper, assisted by O. D. Baldwin, raised nearly two hundred thousand dollars to offer as a bonus to any transcontinental railroad to extend to San Francisco.

The San Francisco *Examiner*, W. R. Hearst, editor and proprietor, in April, 1895, successfully assumed the task of forming subscription clubs to popularize the stock of the San Francisco and San Joaquin Valley Railway, and generously offered to add one thousand dollars ($1000) to every thousand dollars subscribed by the clubs.

The San Francisco *Call*, Charles M. Short-

ridge, editor and proprietor, in April, 1895, prepared a pledge which was printed in his newspaper, to which many signatures were secured, making it obligatory upon the signers to use the new line when it should be in actual operation.

When once the people of the interior towns saw that the road would be built they were not backward in lending encouragement. From all sides came offers of rights of way and stock subscriptions, tracts of lands, etc. Mass meetings were held in many towns. Resolutions pledging support were received from Stockton, San Jose, San Mateo, Bakersfield, Modesto, Oakdale, Oakland, Fresno, Turlock, Redwood City, Contra Costa County, Madera, Selma, Tulare, and many other places. Stockton organized a Commercial Association to meet the emergency, with P. A. Buell as President; C. J. Jackson, Vice-President; Orrin S. Henderson, Secretary; and W. W. Westhay, Treasurer; Oakland formed a Terminal Committee, with F. Delger as President and W. V. Witcher as Secretary.

Rivalry existed between San Jose and Stockton,

Both wanted the main line. The Directors of the road went to Stockton and decided to begin work there upon the assurance that Stockton would take stock to the amount of one hundred thousand dollars ($100,000), and would also furnish the right of way through the city and certain considerable tracts of land. The first breaking of ground occurred at Stockton, April 8, 1895, when the first surveying party began its work, it having been decided first build in the San Joaquin Valley.

Public enthusiasm at this date (April 9, 1895) is indicated by a series of occurrences at Stockton, where the fund for the purchase of land to be donated to the new road, having not been quite completed, a committee of ladies has been appointed to raise money. Of this committee Mrs. C. Slaughter is President, her associates being Mesdames J. D. Peters, Bassilio Logier, Charles Haas, J. M. McCall, W. M. Elsom, W. D. Buckley, Alpha Davis, W. A. Daggett, A. A. Dudley, M. P. Henderson, J. D. McDougald, J. J. Nunan, E. M. Eckstrom, Daniel Rosenbush, G. Giovanesse, P. A. Buell, Herbert Williamson, E. Slaughter, William McKee, Joseph Badger,

Orrin S. Henderson, Frank Cutting, Joseph H. Budd, Clara M. Freeman, W. M. Daggett, and D. Winders.

Another incident is the projection of an extra issue of the Stockton *Mail*, daily newspaper, to be edited and managed by the Stockton ladies. Mrs. Alpha Davis was appointed managing editor, and Mrs. McCall, wife of the Mayor of Stockton, was Chairman of the committee having in charge the business part of the paper.

In San Francisco the *Examiner*, daily newspaper, is just sending out a special train through the San Joaquin Valley over the Southern Pacific road to gather subscriptions for the road.

Among the larger subscribers at Stockton were C. M. and Julia A. Weber, ten thousand dollars ($10,000); Wilhoit & Devendorf, seven thousand five hundred ($7500); John Boggs, five thousand dollars ($5000); Simpson & Gray, three thousand dollars ($3000); California Navigation and Improvement Co., two thousand five hundred ($2500); Stockton Savings and Loan Society, five thousand dollars ($5000); Stockton Savings Bank, three thousand dollars ($3000); Farmers' and Merchants' Bank, two thousand

dollars ($2000); Ross Sargent, two thousand dollars ($2000); P. A. Buell, one thousand dollars ($1000); San Joaquin Warehouse Company, one thousand dollars ($1000); H. E. Adams, one thousand dollars ($1000); I. S. Bostwick, one thousand dollars ($1000); First National Bank, two thousand dollars ($2000); Pacific Tannery, one thousand dollars ($1000); T. W. Newell, one thousand dollars ($1000). Madera has pledged rights of way. Visalia, through the President of its Board of Trade, S. Mitchell, pledged all its business to the new road, every shipper in Visalia having signed the pledge.

A delegation from Visalia visited San Francisco and offered rights of way free for seventy miles through Tulare County, with a free depot site at Visalia. This delegation consisted of Mayor E. C. Farnsworth, of Visalia, E. O. Miller, William H. Hammond, and Ben M. Maddox.

A delegation from Merced, consisting of W. W. Gray, J. J. Stevenson, H. F. Greer, G. S. Bloss, and James F. Peck, offered rights of way and depot sites in Merced County.

San Jose had raised, as this account closes,

one hundred and sixty-seven thousand four hundred and fifty dollars ($167,450).

It will be necessary later to publish a volume leading up to the actual beginning of operation of the first competing railroad, and by that time other enterprises will probably be in the field. The awakening is more marked day by day.

The subscribers to the stock of the road are named herewith, the list being complete up to the date of April 9, 1895, when this matter was placed in the hands of the printer.

Stockholders of the San Francisco and San Joaquin Valley Railway Co.

SAN FRANCISCO.

	SHARES
Aicher, Gustave A	20
Aronson & Menesini	10
Althof & Bahls	10
Anglo-American Crockery & Glassware Co.	10
Ashworth, Mrs. Thos.	10
Albion Lumber Co	20
Allen, James G.	1
Blake, Moffitt & Towne.	25
Badick, G.	2
Bozich, John S.	2
Baker, D. H.	5
Boyd, John F.	10
Butler, P. F.	10
Britton, Joseph.	10
Bunker, Wm. M.	10
Bixler, David	10
Burk, Mrs. R.	50
Breeze, Louisa	10
Berteling, L. A.	10
Bradbury, Jno. L.	10
Borel, Antoine	250
Brugiere, E. A	150
Baldwin, O. D.	100
Bergin, T. I.	50
Brandenstein, J.	50
Belshaw, M. W.	50
Baldwin, E. J	50
Buck, J. A.	50
Baldwin, O. D.(Trustee)	20
Brandenstein, M. J. & Co.	25
Bissinger & Co.	20
Baldwin, Mrs. M. V.	20
Brown, Craig & Co.	10
Bovee, Toy & Co.	20
Baldwin, Mrs. M. V.	20
Brune, Dr. A. E.	10
Bergerot, J. A.	10
Bonestell & Co.	5
Burr, E. W., Jr.	20
Birch, Wm. H.	5
Blank, Chas. A	5
Baldwin, O. D.(Trustee)	10
Brooke, George C.	1
Braunschweiger & Co.	20
Boyken, Adolph.	10
Bickford, C. E.	1
Brand, Ernest	3

SAN FRANCISCO.

	SHARES		SHARES
Blair, Samuel	20	Crim, Maria L	20
Bakersfield Share Club, F. E. Valentine, Tr.	1	Crim, George S	10
Beyfuss, O	1	Coulson, Dr. Nat	5
		Capp, Charles S	5
		Cerf, Schloss & Co	5
Coleman, J. V	100	Coghill, Thos. B	5
Coleman, John C	100	Coulter, Robert	3
Colton, Mrs. E. M	50	Castle, Freddie L	1
California Safe Deposit Co	50	Cotter, Mrs. A. M	25
Craig, Hugh	1	Donohoe, Jos. A	250
Cutler, E. B	1	Donahue, Mrs. Annie	200
Chy Lung & Co	1	Doyle, John T	100
Chew, Ging Lung & Co.	1	Dunham, Carrigan & Hayden Co	100
Campbell, Thos	5	De Young, M. H	50
Cunningham, J. M	50	Drexler, Louis P	50
Clark, Estate of, W. S	50	De Laveaga, M. A	50
Castle Bros	25	De Laveaga, J. V	50
Cole, N. P	15	Dominguez, Donna W. H.	50
Clinton, Dr. C. A	10	Dodge, Sweeny & Co	50
Cartan, McCarthy & Co.	10	Doe, Charles F	50
Castro Street Land Co	10	Doe, Bartlett	50
Cluff Co., William	10	Davis, Willis E	20
Caire, Justinian	10	Davis, J. B. F	20
Chickering, Thomas & Gregory	10	Durbrow, Emma L	10
Callaghan, Mrs. Jane	10	Dennison, E. F	10
Coburn, Tevis Co	10	De Vecchi, Dr. P.	10

SAN FRANCISCO.

	SHARES
Dalton Bros.	10
Dinkenspiel, Mrs. S. B.	10
Dundon, P. F.	10
Denigan, Son & Co.	10
Dinkenspiel & Son	10
Dean, Peter	10
Davis Bros.	10
Donahue, P. J.	100
Dusenbury, J.	10
Dean, Wm. E.	100
Dowling, John T. (Tr.)	10
Danks, J. W.	1
Dunne, James P.	1
Davis, Schonwasser & Co	10
Dietz, A. C. & Co	10
Duprat, Alonia C.	10
El Dorado Council No. 581 of Nat'l Union	1
Esberg, Bachman & Co.	50
Emery, J. S.	50
Ehrman & Co., M.	50
Easton, Eldridge & Co.	20
English, John F.	10
Evans, Evan C.	10
Ede, Wm. (Trustee)	10
Edwards, Frank C.	2
Eyre, Edward E.	50
Examiner, W. F. Bogart, (Trustee)	30
Flood, James L.	250
Fireman's Fund Insurance Co.	100
Fitch, George K.	50
Fuller, W. P. & Co.	50
Folger, J. A. & Co.	25
Franklin, J. L.	10
Follis, R. H.	10
Forbes, A. B.	10
Foss, Oscar	10
Frank, S. H. & Co.	10
Freeman & Bates.	10
Fowler, Mrs. Antoinette	10
Fredericks, Joseph.	10
Foorman, S.	10
Feusier, Louis.	10
Farnsworth, D. L.	10
Fitzhugh, Wm. M	5
Farren, John W., Jr.	10
Fisher Packing Co.	5
Fortmann, Henry P.	5
Frank, M. E.	4
Freud, Harold.	1
Freud, Robert.	1

SAN FRANCISCO.

	SHARES
Friedlander, Gottlob & Co.	2
Gibbs, Mrs. Augusta K.	100
Goldstein, Estate of E. L.	50
Greenewald, Mrs. L.	50
Gorrill, R. W.	20
Graff, G.	20
Ghirardelli, D. & Sons.	10
Greenbaum, Weil & Michels	10
Glootz, Adolph.	10
Gerstle, Lewis.	125
Garratt, James H.	5
Giesting, Joseph G.	5
Garnier, Emile.	10
Greenberg & Greenberg	5
Graham Decorative Art.	2
Gunst, Mose A.	10
Gosliner, H. B.	1
Guillium, Phillipe	5
Hayward, Alvinza	500
Hobart Estate (James Cross, President)	500
Hibernia Bank * (Robert J. Tobin, Secretary)	500
Hearst Estate	250
Holbrook, Charles	150
Hellman, Isias W	50
Hind, Robert R	50
Heller, E. & S.	50
Haas Bros.	25
Holt, Chas. H.	30
Hinkel Bros.	25
Harvey, Leroy G. & Co.	15
Hart, A. H. Co., The	10
Hughes, Rienzi	10
Harshall, Gustav.	10
Hulse, Bradford & Co.	10
Heller, Bachman & Co.	10
Heinecken, A. C.	10
Hirschman, A.	5
Hyman, Jacob.	5
Hooper, C. A. & Co.	50
Herzberg, I	1
Herrmann, C. & Co	2
Hjul, H. H.	3
Hopkins, E. W.	100
Harmes, J. T. (Trustee for Yerba Buena Parlor, N. S. G. W.	1
Hicks-Judd Co.	10
Hooper, R. B.	1

*Donation.

SAN FRANCISCO.

	SHARES
Indianapolis Furniture Co.	10
Iroquois Share Club No. 2, Louis Metzger, Trustee	1
Jordan, James C.	50
Johnson, J. C.	10
Johnson-Locke Mercantile Co.	10
Jones, S. L. & Co	10
James, J. G.	10
Jost, C. & Son	10
Johnson, Mrs. M. A.	2
Jennings, C. B.	5
Jennings, Thomas	10
Judson & Shepard	10
Jones, D. R.	20
Koshland, S.	20
Kittredge, E. H.	20
Koster, John L.	50
Kosach, M. S.	3
Kent, Thaddeus B. (S. F. Savings Union)	500
Kohlberg, Strauss & Frohman	5
Koegel, David	2
Keyes, W. S.	5
Keyes, E. D.	8
Krause, A.	1
Kahn, George H.	1
Kueppers, Theodore	5
Kruse, J. H.	2
Kwong Tong, Tai & Co.	1
Kwong Lun Hing & Co.	1
Kwong Chen Yuen	1
Lachman, Estate of S.	50
Lowenberg & Co.	50
Levi, H. & Co.	50
Lilienthal & Co.	25
Liebes, H. & Co.	25
Lent, Mrs. Fannie	10
Lent, Mrs. Frances	10
Lennon, John A.	10
Lincoln, Jerome	10
Legallet, Helwig & Co.	10
Lehmann, Charles H.	10
Leege, Charles F.	10
Lievre, Fricke & Co.	10
Levy, Herman	10
Lyons, Chas.	5
Langhorne, J. P.	5
Lovell, Mansfield.	5
Lewis, M.	10

SAN FRANCISCO.

	SHARES		SHARES
Lowry, W. J.	5	Madison, James	10
Loughborough, A. H.	5	Mangels, J. H. (Tr.)	10
Luchsinger, G. H.	3	Marye, George T., Jr.	50
Luchsinger, Alvina	3	Miner, W. H.	10
Loewenstein, Maurice F.	2	Magee, Thomas (Tr.)	100
Lemos, Leon.	5	Moore, Hunt & Co.	20
		Merle, Marguerite V.	20
Meyer, Daniel.	250	May, Joseph.	5
Magee, Thomas	150	May, Edward	5
Magee, Thomas (Tr.)	150	Merrill, John F	50
Markey, Laura Bent	1	Manning, John M	5
Miller, Dr. John A.	5	Morgan, E. M.	5
Martin, W. H	100	Manning, John M	5
Main & Winchester	100	Martin, Andrew T	10
Mayne, Chas.	100	Moriarty, Elizabeth A.	2
Macdonough, J.	100	Morgan Oyster Co.	25
Murphy, Frances J.	50	Melve, Duncan W	2
Murphy, May M.	50	Montague, W. W. & Co.	50
Meyerstein, Lewis.	50	Meyer, A.	1
Madison & Burke	30	Mercer, Mrs. Mary A.	10
Miller, Sloss & Scott	30	Miller & Lux	500
Mangels, J. H.	20	Moore, Ferguson & Co.	10
Mangels, Mrs. Emma	20	Muir, John	10
Mangels, Miss Agnes	20	MacDermott, C. F.	100
Menzies, Stewart	20	McMullin, J.	10
Mack, J. J. & Co.	10	McCarthy Bros.	10
Marcus, Geo. & Co.	10	McNab, Theresa.	3
Mack, Elizabeth.	10	McCreery, A. B.	300

SAN FRANCISCO.

	SHARES
McCarthy, C. G.....	5
McNulty, P. Roscoe....	5
Mackay, Alex. & Son..	2
McDonnell, S. A.....	1
McKee, Lester H. S....	1
McMahon, Thos.....	10
McDevitt, Edward (Tr.)	2
Mikulich, August	7
Neustadter Bros.....	50
Niebaum, Gustav.....	50
Naber, Alfs & Brune....	20
Neubauer, Herman W..	10
Norton, Teller & Roden	10
Nightingale, John	30
Nicol, Wm.....	5
Naughton, Francis.....	1
Newman & Levinson...	5
Nichols, A. C. & Co....	3
Ohlandt, N.....	50
Oppenheimer, Henry...	10
O'Farrell & Co.....	10
O'Brien, Thos. V.....	10
Orrick, O. S.....	5
Orsi, Giaromo.....	5
Parrott Estate.....	500
Phelan, James D.....	250
Preston, E. F.....	100
Payot, Upham & Co....	50
Phelan, Mary L.....	50
Pond, E. B.....	50
Payne, Theodore F.....	50
Page, Arthur.	10
Phelps & Miller.....	10
Phelps, E. A. (Tr.).....	10
Poly, Heilbron & Co...	10
Page, Geo. Thos. (Tr.)..	10
Priet, P.....	5
Page & Falch.....	8
Poheim, Joe.....	5
Pforr, John.....	5
Patrick, A. B. & Co ...	10
Pollard & Dodge.....	10
Perley, A. S.	2
Popper, Max (Tr. for Iroquois Share Cl'b No. 1)	5
Payot, Mrs. Henry.....	10
Pacific Lumber Co.....	25
Peterson, Frank B.....	2½
Quinn, John E.....	10
Quarg, Emil.....	1
Redington & Co.....	25

SAN FRANCISCO.

	SHARES
Roth & Co.	10
Russ, Ad. G.	10
Rey, Valentine J. A.	10
Roth, Blum & Co.	10
Rohte, Emil.	10
Roos, Adolph	5
Roos, Achille	5
Rankin, G. A	5
Raphael, Nat. M.	1
Rolph, James, Jr.	1
Roy, Thomas	2
Recalt, Jean	1
Spreckels, Claus	5000
Spreckels, John D.	1000
Spreckels, Adolph B.	1000
Sloss, Leon	125
Strauss. Levi	250
S. F. & Fresno Land Co.	250
Stetson, J. B.	100
Sachs, Sanford	50
Shortridge, Samuel M.	100
Swayne & Hoyt	5
Simpson & Millar	10
Spreckels, J. D. (Tr.)	3
Sang Lung & Co.	1
Spreckels, John D. (Tr.)	70
Schweitzer, Bernard	50
Solomon, S.	50
Sachs Bros. & Co.	50
Sachs, Estate of Martin	50
Sheldon, Mark	50
Sherwood & Sherwood.	50
Sullivan, Frank	50
Sullivan, Alice Phelan.	50
Stetson, J. B. (Tr.)	50
Siebe Bros. & Plageman	30
Seymour, S. H.	30
Schilling, A.	25
Shroth, Chas.	25
Spreckels, J. D. (Tr.)	25
Schwabacher Bros	25
Shainwald, Buckbee & Co.	20
Silverberg, S.	20
Schoenberg, Louis	10
Stolp, G. M.	10
Schreiber, John	10
Salfield, C. D. & Co. (Tr.)	10
Selby, Mrs. T. H.	10
Schohay, A. & Son.	10
Sharp, Wm	10
Sanborn, Vail & Co.	10
Schussler, M. & Co.	10
Splivalo, C. R. & Co.	10
Spruance, J. M.	10

SAN FRANCISCO.

	SHARES
Samuels, D	10
Sherman, Clay & Co.	10
Son Bros. & Co.	10
Sperry Flour Co.	50
Stein, Simon & Co.	25
Shea, Bocqueraz & Co.	20
Smith, Peter A.	10
Shirley, John	10
Stevens, A. C.	10
Sharon Estate	250
Stockton Lumber Co.	200
Siebrecht, F.	5
Sullivan, Thos.	10
Stein, J. H. & Co.	2
Siegfried, J. C. (Tr.)	10
Simpson, James	5
Seidel, F. S.	10
Selfridge, Minnie L.	5
Spreckels, John D. (Tr.)	250
Smith, Chester L. (Tr.)	50
Sherman, C. H.	5
Sweeny, Thos. U.	10
Sheridan, Mrs. Lillian	3
Struven & Birgle.	3
Spreckels, John D. (Tr.)	3
Tillman & Bendel	35
Taylor, John	30
Touningsen, J.	10
Tillman, Fred., Jr. (Tr.)	10
Taussig, L.	10
Taussig, Louis & Co.	10
Tay, Geo. H. & Co.	10
Tillman, Fred, Jr. (Tr.)	10
Tevis, Lloyd	500
Taylor, Thos. G.	10
Tsue Chong Wing Mon Kee	1
Umbsen, G. H.	20
Union Fish Co.	10
Union Lumber Co.	15
Van Sicklen, F. W. (Tr.)	5
Viavi Co., The	10
Volkman, C. M	10
Vermeil, J. L.	10
Verdier, G.	10
Vogelsdorrff, Mrs. Rosa.	3
Vickery, W. K.	2
Von der Nienburg.	1
Van Loben Sels, P. J.	10
Watt, Robert.	50
Whittier, W. F.	500
Walter, D. N. & E.	50

SAN FRANCISCO.

	SHARES		SHARES
Whittell, Geo	50	Western Iron Works	10
Williams, Dimond & Co.	30	Weber, A. C	5
Wagener, Maria	20	Wattson, Mrs. Mary	1
Watson, Thos	10	Windt, Morris	10
Winslow, C. R	10	Watson, Mrs. Emilie	1
Wickware, Geo. C	10	Wing Chong Wo & Co.	1
Wellman Estate Co	10	Wan Yune Lung Kee	1
Wilson & Bro	10	Watterson, G. T	10
Williams, A. P	10		
Wolff, Wm. & Co	10	Yates, Charles M	10
Williams, Brown & Co.	10	Young, E. B	5
Witzel & Baker	10	Young, Wm. W	10
Wagenheim, Sol & Co.	10		
Wolters Bros. & Co	10	Zeile, F. W	25
Woods, F. H	25	Zweig, H	10
Wetherbee, Ellen M	50	Zetzseke, Fred'k M	5
Wright, A. G	5	Zellerbach, A. & Sons	5

BAKERSFIELD.

Beal, C. N.	1	McCray, Harry W	1
Edmonds, R. A	1	Rice, Frank S	1
Frisette, R	1	Reid, S. Howard	1
Guhl, August E	1	Rosenmyre, J. V	1
Hunter, J. E. G	1	Snook, Walter	1
James, Walter	1	Thomas, W. H	1
Jackson, C. W	1	Taylor, J. T	1
Kratzmer, August	1	Webster, A. J	1
Munzer, T. G	1	Bakersfield Share Club, F. E. Valentine	1
Morley, James V	1		

BAKERSFIELD.

	SHARES		SHARES
Reed, S. N.	1	Packard, H. L.	1
Bethel, F. J.	1	Sanborn, William H.	1
Tibbett, George A.	1	Morrison, R. G.	1
Dale, R. C.	1	Carson, F. C.	1
Davis, E. P.	1	Swayne, R. B	1
Heyman, Alex.	1	Robinson, F. W.	1
Weill, Sam.	1	Jameson, E. D.	1
Beer, Lucien	1	Millard, W. S.	1
Beatty, C. W.	1	Hunt, G. C.	1
Webb, W. C.	1	Galles, Paul.	1
Niederaur, J.	1	Goodhue, S. G.	1
Britz, Nick	1	Pogson, R. M.	1
Withington, R. W.	1	Scott, Winfield.	1
Carillo, F. M.	1	Ferguson, R. G.	1
Galli, G.	1	Wible Bros.	1
Huebner, A. F.	1	Hoenshell, D. S.	1
Oliver, Gray.	1	Simpson, Harry	1
Scribner, John.	1	Cohn, C.	1
Hartley, R.	1	Beck, William	1
Hayden, B. A.	1	Beard, George.	1
Stockton, R. N.	1	Carlock, F. M.	1
Galloway, R. E.	1	Glenn, I. H.	1
Olds, H. P.	1	White, R. J.	1
Jean, J. G.	1	Weaber, A.	1
St. Clair, L. P.	1	Jerrue, D. B.	1
Barnard, D.	1	Packard, T. J.	1
Chatom & Consolation.	1	Price, George W.	1
Stanton, H. H.	1	Lechner, H. C.	1

BAKERSFIELD.

	SHARES		SHARES
Howell, W. A	1	Baer, Charles	1
Doherty, W. J	1	Fox, Charles P	1
Taggart, E. K	1	Wren, Phil	1
Cowgill, C. C	1	Solomon, M. W	1
Patton, J. E	1	Lockhart, T. W	1
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McLeod, C. B	1	Sing Lee	1
Hirschfeld, I	1	Yee Chung Tai	1
Lee & Lang	1	Chung Fook Yuen	1
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Mulcahy, M. J	1	Quong Yee Wing	1
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IV.

THE NORTH AMERICAN NAVIGATION COMPANY.

THE NORTH AMERICAN NAVIGATION COMPANY.

THE Johnson-Locke Mercantile Company, successors of William T. Coleman Company, an old and historical house, were large shipping and commission merchants in this town, and some time in 1891 began studying transportation problems on this Coast. They had an active correspondence with the firm of T. Hogan & Sons, large shipowners, as to the possibility and advisability of running a line of steamers via Cape Horn, from New York to San Francisco and return. After negotiations extending over six months, arrangements were closed between T. Hogan & Sons and the Johnson-Locke Mercantile Company. C. H. Haswell, Jr., formerly Agent of the Pacific Mail and O. and O. Company, in Japan, assumed the management of the Johnson-Locke Mercantile Company's Steamship Department.

The line of steamers known as the Atlantic

and Pacific Steamship Line was inaugurated between New York and San Francisco, via Cape Horn, and the first steamer to leave New York was the "Keweenaw," July, 1891. The next was the "Mineola," which left New York, August 15th, followed by the "Mackinaw," October 3d, with the "Progreso," "Mineola" and "Conemaugh" following. The inauguration of this line created a great deal of interest in mercantile and shipping circles and resulted in forcing the Southern Pacific Company to make reductions in rates. The Atlantic and Pacific Line was run without subsidy amid great difficulties, but was kept alive by strenuous efforts on the part of the Johnson-Locke Mercantile Company until an article appeared in 1892 in the Associated Press reports as a dispatch, announcing the rupture of the alliance between the Panama Railroad Company and the Pacific Mail Steamship Company, and in this rupture there appeared a faint ray of hope. The Johnson-Locke Mercantile Company telegraphed to the Panama Road Directors advising them of the situation in San Francisco, and the desire on the part of the merchants of this State to secure any relief pos-

sible from the exactions of the Southern Pacific Company and inviting them to enter into competition in the carrying trade with a through line of steamers between New York and San Francisco, via Panama.

Upon the suggestion of the Panama Railroad Company, the Johnson-Locke Mercantile Company investigated the situation at great length and, after viewing the position of affairs, the Panama Railroad Campany agreed with the Johnson-Locke Mercantile Company that if they could or would raise sufficient funds to inaugurate a service on the Pacific Ocean, between Panama and San Francisco, the Panama Railroad Company would co-operate with the service on the Atlantic Ocean, running between New York and Colon, and connecting with the Pacific service, and thus establishing a through line. With this end in view, the Panama Road Directors entered into an agreement with the Johnson-Locke Mercantile Company.

Immediately after a clear understanding had been reached the North American Navigation Company was hastily incorporated, with the following directors: William L. Merry, Frank S.

Johnson, C. H. Haswell, Jr., Frank Dalton, William Thomas, Herman Bendel, A. B. Field, and J. J. Moore. All liabilities were personally assumed by the Johnson-Locke Mercantile Company which pledged for themselves that all sums spent in organizing and promotion would be advanced by them. Captain William L. Merry assumed the Presidency, and co-operated with Frank S. Johnson and C. H. Haswell Jr., in their efforts to secure subscriptions. They undertook to raise a subscription list, before Mr. Johnson left for New York to meet the Panama Directory, and succeeded in pledging the sum of sixty-seven thousand five hundred dollars ($67,500), and this roll of honor included the following names:

Captain R. R. Thompson, who led with a subscription of ten thousand dollars ($10,000), followed by Alvinza Hayward and Abbie M. Parrott, each with five thousand dollars ($5000); also Herman Bendel, Thomas Magee, William Babcock, C. Carpy, C. J. Hendry Sons Company, A. W. Harriman, W. F. Mills, A. B. Field, Captain William L. Merry, Frank S. Johnson, W. L. Locke, C. H. Haswell, Jr., J. J. Moore, William

Thomas, A. Lusk & Co., H. Levi & Co., Stetson-Renner Drayage Company, and P. J. Martin, for various amounts from one thousand dollars upwards; Frank S. Johnson, William L. Merry, and C. H. Haswell Jr., subscribing largely as trustees for mercantile and shipping houses who did not then desire to have their names made public.

At this time, it must be remembered, these merchants assumed the initiative and threw down the gauntlet in an aggressive way to the Southern Pacific Company. The enterprise was fraught with some danger. Having thus the skeleton of an organization duly officered, with a preliminary subscription list, but not a dollar in the treasury, and the promise of a contract on the part of the Panama Railroad Company if a Company could be formed in San Francisco, the Johnson-Locke Mercantile Company with Captain Merry, invited the assistance of The Traffic Association. Before a reply or decision could be reached by that organization, Frank S. Johnson, the President of the Johnson-Locke Mercantile Company, started for New York. At that time much doubt was expressed as to

whether the Panama Railroad Company was using the merchants of San Francisco to secure a better contract with the Pacific Mail Steamship Company. The stand was taken by Mr. Johnson, Captain Merry and Mr. Haswell, that the propositions made to the Johnson-Locke Mercantile Company were so clean cut, and the standing and position of General Newton, Mr. Oppenheim, and Mr. Drake, who were in the active management of the Panama Railroad Company so unquestioned, that negotiations must have been opened in good faith, and, in their opinion, would be carried out in good faith to the end.

The Traffic Association promised to co-operate if it could be proven that negotiations were bona fide. When Mr. Johnson arrived at New York negotiations were immediately begun, and after the expiration of some three weeks Mr. Johnson was enabled to telegraph Captain Merry and Mr. Haswell that he had secured a preliminary contract, signed by him, and binding the Panama Railroad to establish a line from New York to Colon, and to co-operate with the line, and the Railroad Company to the Isthmus, with a com-

pany organized in San Francisco, provided that it had a paid-up capital of one hundred thousand dollars ($100,000). This contract was forwarded to San Francisco by Mr. Johnson. The Traffic Association, at the suggestion of Mr. Leeds, then suggested some changes in the contract. Mr. Leeds was instructed to go on to New York, where he found in the meantime a formidable combine had been gotten up by Mr. Huntington, and every obstacle was being thrown in his and Mr. Johnson's way. Too late the Southern Pacific saw that the Panama Railroad Company was in earnest, and, feeling the presence of Mr. Leed's master hand, were willing to make concessions, but the contract already secured by Mr. Johnson stood. The Panama Railroad Company's Directors, if they had desired to avoid this responsibility, could not have done so, but they turned a deaf ear to the Southern Pacific officials, and being sincere in the desire to close with the San Francisco merchants, they consented to the slight modifications requested by Mr. Leeds in Mr. Johnson's contract.

The capital stock of the North American Navigation Company, upon the demand of the

Panama Railroad Company, and with the consent of Mr. Leeds and Mr. Johnson, was raised in the new contract to two hundred thousand dollars ($200,000). Meanwhile the old Board, which was the creation of the North American Navigation Company, was in existence. The Traffic Association now promised, in addition to the sixty-seven thousand five hundred dollars ($67,500) already raised by the Johnson-Locke Mercantile Company, to secure the balance of the two hundred thousand dollars ($200,000), and desired, in view of this, that the majority of the North American Navigation Company's Board of Directors should be composed of the members of The Traffic Association. This being cheerfully accorded The Traffic Association then undertook to raise the balance of the money, but found it a most difficult task. People were dubious and skeptical, times were hard, and time fast approached when the first vessel under the contract was to be dispatched for New York; viz., March 9, 1893. There was not a dollar in the treasury then, all liabilities up to date having been assumed and paid for by the Johnson-Locke

Mercantile Company, but not a dollar of capital stock had been raised or paid in.

There were subscriptions, but these subscriptions were binding only on two hundred thousand dollars ($200,000) being raised, and only one hundred and fifty thousand dollars ($150,000) had been, up to that time, secured, and a week before the sailing date of the first steamer it looked as though the money could not be raised in time. Through the strong faith in this enterprise of Messrs. Louis Sloss & Co., the owners of the steamer "St. Paul," the Johnson-Locke Mercantile Company were enabled to charter that vessel under the joint auspices of Alvinza Hayward, he having guaranteed the sum of five thousand dollars ($5000) and the Johnson-Locke Mercantile Company having guaranteed, in addition to their previous guarantee, the remainder. The "St. Paul" was thus chartered and dispatched March 9, 1893.

The sailing of the "St. Paul" for Panama was the occasion of quite a demonstration. It was believed, as the vessel departed, that the North American Navigation Company might prove to be a permanent institution, and there was great

rejoicing accordingly. The "St. Paul" was a small ship, but the only vessel available at the time. It had previously been employed on one memorable occasion at least, to compete with the transcontinental lines in the movement of seal skins between San Francisco and Europe. On its first voyage as carrier for the allied San Francisco merchants it took out a miscellaneous cargo of California products valued at about two hundred thousand dollars. The commodities in the cargo, according to the evening papers of San Francisco, included wine, brandy, California butter, vegetables, dried fruits, California leather, California varnish and paint, pickles, borax, California herbs, silver ware, plated ware, and California made household furniture. A large number of merchants went to the Lombard-street-wharf before the steamer departed, and exchanged congratulations in the cabin of the steamer. While there were no speeches the health of several gentlemen largely instrumental in the enterprise was pledged. Captain Merry, the President of the Company; Leon Sloss, of the Alaska Commercial Company; Barry Baldwin, President of The Traffic Association;

Traffic Manager Leeds, and many members of The Traffic Association were interested spectators. As the vessel moved away a crowd representing all classes of San Franciscans cheered. Passing steamers sounded their whistles in salute. Altogether San Francisco on this day was decidedly in good humor.

Just prior to that time, the new Board came into office, as follows: William L. Merry, Herman Bendel, Gustav Niebaum, M. H. Hecht, E. B. Pond, J. S. Leeds, Daniel Meyer, and Frank Dalton. Charles M. Yates, who had served on the Board for a time, resigned. The capital stock was being subscribed to slowly, when it was unpleasantly apparent that the contract time for the leaving of the second vessel was at hand. The capital stock not having been raised or paid in, still further obligations were then assumed by the Johnson-Locke Mercantile Company and William L. Merry, under the pledge that they should be reimbursed, and the "Mexico" was chartered. At that time the Johnson-Locke Mercantile Company advanced and became responsible for the sum of nearly twenty thousand dollars, but their faith in the enterprise never

wavered. Shortly after the departure of the "Mexico," the capital stock was subscribed through the efforts of The Traffic Association, and two hundred thousand dollars ($200,000) were paid in.

The North American Navigation Company, which, up to that time, had been in rather intangible form, took its place as an organized corporation, William L. Merry being elected President, and the Johnson-Locke Mercantile Company, in recognition of their services, having been appointed as General Agents, and C. H. Haswell, Jr., Secretary. Mr. Haswell efficiently filled his position as Secretary for two years. The functions of the Johnson-Locke Mercantile Company only ceased on the disbandment of the Navigation Company.

The situation as it had existed and as concerning the Pacific Mail, may be better understood by some reference to the relations of that Company to the transcontinental lines. About 1875 or 1876, when there was but one line of rails across the continent, war was made by the overland carriers on the Pacific Mail, which was at that time operating the Panama road, and the result

of this was that the steamship line accepted a subsidy of one hundred and ten thousand dollars ($110,000) per month to neutralize that line as a competitor. The Panama Railroad Company practically became a party to the subsidy contract with the Pacific Mail in February, 1878. This practically withdrew competition on time freight.

The special contract system directed against San Francisco merchants came into effect in 1878 and extended to 1882. The subsidy of the Pacific Mail, after the contract system had been fully established, was reduced to eighty-five thousand dollars ($85,000) per month. When the transcontinental pool was organized, which occurred with the advent of other lines to the Pacific Coast, the pool assumed the subsidy of the Pacific Mail. The pool collapsed in the rate war with the Santa Fe in 1886. The Transcontinental Association was organized in December, 1887, and became effective January 1, 1888. The subsidy of the Pacific Mail was then resumed at sixty-five thousand dollars ($65,000) per month, was afterwards increased to seventy-five thousand dollars ($75,000) per month in

1889, and that subsidy was continued up to December 31, 1892. Millions of dollars were expended during the period of years, to neutralize the commerce of San Francisco by sea.

An extract from an address made by Isaac Upham, President of The Traffic Association, at the Annual Meeting of the Association, October 24, 1894, describes the situation concisely.

"At that time," said Mr. Upham, referring to the period just preceding the organization of the North American Navigation Company, "the Transcontinental Association was ruling supreme, and dictated the rates of freight on goods shipped and received from the East. The railroads were pooled against us; also the ships around Cape Horn, and the Pacific Mail was subsidized. We were paying four dollars and twenty cents ($4.20) per 100 pounds for first-class freight by rail, and fifteen dollars ($15) per ton around Cape Horn."

The contract negotiated between the Panama Railroad Company and the North American Navigation Company, by Messrs. Leeds and Johnson, provided that the Navigation Company

should establish, operate, and maintain, from March, 1893, to May 1, 1894, a line of steamers of adequate power and carrying capacity, between San Francisco and Panama, for the transportation of mail, passengers, and freight, expressly agreeing to make at least one sailing of its steamers every twenty-five days, from San Francisco to Panama, and likewise from Panama to San Francisco, and as many more trips monthly as the business might require; also, that the Navigation Company should develop, to the fullest extent practicable, the traffic by its steamers in connection with the Panama Railroad.

Steamers were to have net cargo capacity of not less than 2000 tons each, with a speed of not less than ten knots per hour. The Navigation Company also agreed to transport all mails, passengers, treasure, and freight to all points on the Pacific Coast between San Francisco and Acapulco, exclusive of the latter port, and to deliver the same to points of destination on the Pacific Coast North of Acapulco. The Panama Road undertook on its side to meet on equal terms the conditions provided for the Navigation Company. The Navigation Company agreed to

supply and maintain a working capital large enough to conduct the business, in the amount of at least two hundred thousand dollars ($200,000) between March 15, 1893, and May 1, 1894.

The Railroad Company agreed to deliver for carriage to the Navigation Company at Panama all European freight and treasure destined to Pacific points north of Acapulco which the railroad might receive from the other Atlantic lines, and the Navigation Company agreed to deliver this to points of destination. The Navigation Company also agreed to employ only the Panama Railroad's ships at Colon for moving mail, passengers, etc., destined for American, Atlantic and Gulf ports. The right was given to the Navigation Company to issue through bills of lading in the territory indicated, and it was agreed that the Panama road should not through bill with any other carrier than the Navigation Company unless required by law to do so.

Rates were to be mutually agreed upon from time to time, the proportion for the Navigation Company to be forty-five per cent of the through rate, the Railroad Company twenty-five per cent and the carrier from Colon to United

States and vice versa thirty per cent on the through rate. The Navigation Company was given the same division upon European traffic as then existed between common carriers. The Navigation Company was compelled to agree that it would operate the line and conduct its business absolutely independent of and in active competition with all other steamship or railroad companies, and that it would not sell, lease, or in any way transfer or allow the control of the vessels or property to any competing steamship or railroad line, or to any party controlling such competing line. The Panama Railroad accepted the same terms on its own part. Either party could annul the agreement upon ninety days' notice. The contract expressly provided that its terms should not apply to transportation from or to any port between Panama and Acapulco.

The Trustees of the stock of the Navigation Company were W. W. Montague, Isaac Upham, and William Babcock. They had power to transfer stock and to qualify seven persons to act as Directors.

The North American Navigation Company had a short life, but during its existence its

crusade for commercial emancipation for the city of San Francisco was attended with great results. It found a faithful ally in the Panama Railroad Company. A war of extermination was begun by the transcontinental railroads. Freight was carried from the Atlantic seaboard to San Francisco at rates which could certainly have given the carriers only a very small, if any, margin of profit. Using the rates in effect in the year 1892 as a basis for comparison, it was discovered that within a few months after the steamer "St. Paul" sailed from San Francisco, west bound rates had been reduced from forty-five to sixty per cent, a low average being fifty per cent, which was at the rate of about five million dollars per annum upon business moving into California. Fully as marked a reduction was exhibited by a comparison with east bound rates in 1892 with those in effect in the fall of 1893. As an illustration, the saving on seven commodities produced in California, these being dried fruit, raisins, canned goods, wine, wool, barley, and beans, was stated by Traffic Manager Leeds, to have been one million eight hundred and thirty-three thousand five hundred and seventy-

nine dollars ($1,833,579), this including transportation both by sea and rail.

"The difference," said Traffic Manager Leeds, using the foregoing figures in his report to The Traffic Association in 1893, "to the producer and shipper of the State in marketing a year's product will reach, at a low estimate, two million seven hundred and fifty thousand dollars, or about two hundred and thirty thousand dollars per month, a grand total east and west per month of six hundred and forty-six thousand six hundred and sixty-six dollars ($646,666), or twenty-one thousand five hundred and fifty-five dollars ($21,555) per day." It was necessary for the overland carriers to exterminate the North American Navigation Company to preserve high charges. The policy of the Navigation Company was to follow downward the war rates made by the transcontinental lines.

It was apparent soon to the enemies of the Navigation Company, who carefully watched the movement of east and west bound freight, that the two hundred thousand dollars ($200,000) provided as a guarantee fund or working capital would soon be exhausted. The Navigation

Company's ships were not well filled. They did not receive the patronage to which the line was entitled, although the line was making the fight for the common public good. The funds of the Navigation Company ran so low that by October 3, 1893, conferences occurred between the Directors and Messrs. John F. Merrill, Barry Baldwin, B. F. Dunham, and Isaac Upham, who represented the Executive Committee of The Traffic Association, and by them a resolution was adopted urging The Traffic Association to raise additional funds for the continuance of the line.

The Association moved as suggested. A public meeting was held in the Chamber of Commerce, Isaac Upham presiding, and the emergency was fully presented. It was necessary to raise more money at once, and one hundred thousand dollars ($100,000) were called for, that being the sum which it was estimated would be needed to complete the contract with the Panama Railroad Company up to May 1, 1894. This one hundred thousand dollars ($100,000) were raised, but the line still failed to get its due share of the transportation business, and in January, 1894, when the annual meeting of the stockholders of the

Navigation Company was held, it became necessary to dispatch Mr. Leeds once more to New York to conclude an arrangement with the Panama Railroad Company for assuming the business of the line and to release the North American Navigation Company from their contract. Before this, it was imperative that the Central American business, which had been built up between Acapulco and San Francisco, should be abandoned; also that one steamer should be taken off the through line; also that the schedule of twenty-five days interval in sailing should be adopted.

The last Board of Directors of the Navigation Company was elected January 5, 1894. It consisted of Messrs. W. L. Merry, E. B. Pond, Gustav Niebaum, Frank Dalton, J. S. Leeds, M. H. Hecht, and Daniel Meyer. Captain Merry was elected President; Daniel Meyer, Vice-President and Treasurer, and C. H. Haswell, Jr., Secretary.

The Panama Railroad Company locally represented by Eugene H. Hinton, permitted the Navigation Company gradually to retire from business without completing its contract. The Navigation Company's affairs were finally placed

in the hands of John L. Howard and William L. Merry as trustees, to bring them to a conclusion. The line operated during a period of fifteen months from San Francisco. It did not engage in the passenger business. The cost to the merchants of San Francisco of the maintenance of this line was three hundred thousand dollars ($300,000), or twenty thousand dollars ($20,000) per month during the period of its existence. The saving in reduced freight rates in money actually paid out, as carefully estimated, amounted to at least ten million dollars ($10,000,000) to the State of California.

An interesting circumstance and necessary to be recollected was that the more profitable business between Panama and Acapulco north bound was entirely out of the reach of the San Francisco line. The Pacific Mail Company managed to hold this business for itself by securing an injunction in New York. In 1872 the Panama Railroad Company sold a line of steamers to the Pacific Mail Steamship Company and the language of the contract was interpreted to mean that in securing the "good will" which went with this transaction, the

Pacific mail had gained the sole right to do business between the Central American ports above named, in which the Panama Railroad Company participated. This interpretation was maintained until some time after the North American Navigation Company had retired from participation in the carrying trade. The restraining injunction was not modified in New York until March, 1895. The North American Navigation Line was able to move freights from San Francisco to Mexican and Central American ports without restriction on its own account, without participation by the Panama Railroad Company, but it lost a rich revenue which accrued to the Pacific Mail Steamship Company from Panama to Acapulco and this hastened the termination of the enterprise.

The contest in which the North American Navigation Company was engaged will be remembered long by students of transportation problems, and by the people of California generally. All the transcontinental lines were engaged, and the basis of "differentials" which had given Chicago an advantage, for a long period, over the Atlantic seaboard as a supply point, was

destroyed. The combined railroads lost many millions of dollars of revenue in a war of extermination which was waged against the adventurous merchants of San Francisco and their ally, the Panama Railroad Company. The movement of the bulk of traffic from the Eastern States to California was changed in direction, and the Southern Pacific Company with its Sunset Route drew away from the "Chicago lines" and the Chicago merchants business which they supposed to be undisputably theirs under the elaborate system which San Francisco had destroyed.

Freights fell so low and competition became so sharp that certain railroads refused to bid in the market for moving the lower classes of freight. This was the most picturesque transportation conflict that the people of the United States have witnessed. Hundreds of millions of dollars and tens of thousands of miles of railroads, and all the great transportation men who directed the destinies of the transcontinental railroads, were pitted against a handful of San Francisco merchants and a capital of three hundred thousand dollars ($300,000) invested in chartered

ships, and an alliance with the Panama Railroad Company. The war resulted in forcing the North American Navigation Company off the sea—a victory which was not conclusive for the transcontinental combination in the present light of facts and conditions. The victory against San Francisco, in that field, will never be complete until San Francisco retreats. At present the march is forward, and promises well to be continued in that direction. Fortunately, San Francisco has been proved to be a community that "does not know when it is beaten."

Stockholders of the North American Navigation Company.

Amer. Bank & Trust Co.
Anglo-American Crockery & Glassware Co.
William Babcock
H. Bendel
J. Bergman & Co.
Bank of California
M. Brandenstein
Buckingham & Hecht
Brown Bros. & Co.
Bonestell & Co.
Alfred Borel & Co.
Dunham, Carrigan & Hayden Co.
Davis Bros.
L. Dinkelspiel & Sons.
W. E. Dean
L. P. Drexler
Jos. A. Donohoe
B. & J. S. Doe
Thos. Day & Co.
M. Ehrman & Co.
Mendel Esberg
Geo. H. Eggers
A. B. Field

Baker & Hamilton
Bauer Bros. & Co.
John Barton
Jos. Britton
Bush & Mallett
Butler, Schultz & Co.
A. H. Clough
C. Carpy
N. P. Cole & Co.
Castle Bros.
Crane Co. [Welch
Cunningham, Curtiss & Annie Donahue
Frank Dalton
Dodge, Sweeney & Co.
Haas Bros. [son
Holbrook, Merrill & Stet-
Martin Heller
Heywood Bros. & Co.
Hulse, Bradford & Co.
H. Hughes
Geo. T. Hawley
W. R. Hearst
C. A. Cooper
Hibernia Bank
S. L. Jones & Co.
Thos. Jennings
J. C. Johnson & Co.
Jones & Co. [tile Co.
Johnson, Locke Mercan-
Kohler & Chase
G. M. Kutz & Co.
H Kullman
Koshland & Co.
Lowenberg & Co.
J. A. Folger
Jos. Fredericks
S. H. Frank & Co.
James G. Fair
Melville Furth
First National Bank [Co.
Fireman's Fund Insurance
H. P. Gregory & Co.
German Savings & Loan Society
D. Ghirardelli & Sons
Greenbaum, Weil & Michels
A. H. Herriman
Hendry Sons & Co.
A. Hayward
W. W. Montague & Co.
Lewis Meyerstein
Daniel Meyer
Eugene Meyer (Trustee)
Miller, Sloss & Scott
John McKee
Murphy, Grant & Co.
Simon Meyer
Miller & Lux
Neuberger, Reiss & Co.
John Nightingale
Newman & Levison
Neville & Co.
Neustadter Bros.
Nevada Bank
Occidental Land & Improvement Co.
J. J. O'Brien & Co.
Osborn & Alexander
Porter Bros.

P. N. Lilienthal
Langley & Michaels Co.
Levison Bros.
Livingston & Co.
W. L. Merry
W. T. Mills
A. B. McCreery
Main & Winchester
Thomas Magee
Redington & Co.
Roth, Blum & Co.
Reiss Bros. & Co.
Rosenthal, Feder & Co.
D. Samuels
A. Schilling & Co.
Sachs Bros. & Co.
Sanborn, Vail & Co.
Louis Sloss & Co.
Schacht, Lemcke & Steiner
South San Francisco Packing & Provision Co.
Sadler & Co.
Mark Sheldon
Martin Sachs
H. & S. Sachs
B. Schweitzer
Adolph Sutro
Gustav Sutro
R. G. Sneath
Levi Strauss & Co.
W. & J. Sloan & Co.
Stein, Simon & Co.
William Thomas
R. R. Thompson
Tillman & Bendel
Abby M. Parrott
Jas. D. Phelan
Chas. M. Plum
People's Home Savings Bank
Chas. W. Pike
Parke & Lacy Co.
Payot, Upham & Co.
Pacific Bank
Rosenthal Bros. & Co.
G. Verdier & Co.
I. S. Van Winkle & Co.
N. F. Walter
Wellman, Peck & Co.
C. E. Whitney & Co.
Whittier, Fuller & Co.
Will & Finck
Lovell White
William Wolff
Waterhouse & Lester
James K. Wilson
Raphael, Weill & Co.
Chas. M. Yates
Wm. H. Yates
Alaska Packers' Association
G. W. Alexander
Alaska Improvement Co.
Armes & Dallam
Anglo-California Bank
Abramson-Heunisch Co.
E. J. Baldwin
Board of Trade
Boyd & Davis
Bissinger & Co.
M. J. Brandenstein
Jules Cerf

John Taylor
The Harry Unna Co.
Utica Mining Co.
Mrs. Peter Donohue
Thomas Day & Co.
H. L. Dodge
Chas. F. Doe & Co.
Fontana & Co.
E. L. Feldman & Co.
I. R. Girard (Oakland)
Hoffman, Alexander & Co.
M. Heller & Sons
Hills Bros.
Hinz & Landt
A. I. Hall & Son
John L. Howard
W. Cohen, Hirsch & Co.
Holt Bros. Co.
Indianapolis Furniture Co.
Capt. Jerome (owner of Keweenaw & Progreso
Kullman, Salz & Co.
Kron Tanning Co.
E. H. Kittredge & Co.
H. Liebes & Co.
S. B. Leavitt & Co.
John F. Merrill
Mack & Co.
Moore, Hunt & Co.
C. H. Meyer
Cerf, Schloss & Co.
Castle Bros. (employees of)
Coghill & Kohn
Malm & Steele
A. C. Nichols & Co.
Pelton Waterwheel Co.
J. J. Pfister Knitting Co.
A. B. Patrick & Co.
Pacific Lumber Co.
J. E. Ruggles
Roos Bros.
Sharon Estate
Stiner, Straus & Hyman
Sherman, Clay & Co.
S. F. Savings Union
C. T. Settle (San Jose)
Son Bros.
Spruance, Stanley & Co.
L. H. Sweeney
Schwabacher Bros.
Sherwood & Sherwood
J. C. Siegfried
E. P. E. Troy
Louis Taussig & Co.
C. M. Volkman
Wilson Bros.
A. P. Williams
Winchester Arms Co.
Wagenheim, Sternheim & Co.

V.

THE MERCHANTS' SHIPPING ASSOCIATION.

MERCHANTS' SHIPPING ASS'N.

THE Merchants' Shipping Association was formed in May, 1892, for the purpose of obtaining, by organized co-operation, freights from the Atlantic to San Francisco at the lowest possible cost. The organizers of the Association consisted of the following firms: Dunham, Carrigan, and Hayden Company, Baker & Hamilton, Huntington, Hopkins & Co., Miller, Sloss & Scott, A. Crawford & Co., J. W. Grace & Co., Hawley Bros., Wellman, Peck & Co., and I. S. Van Winkle & Co. L. L. Baker was the first President; A. Crawford, Vice-President; and C. E. Miller, Secretary. J. W. Grace & Co. were to act as Agents of the Association. Upon the death of L. L. Baker and Andrew Crawford N. T. Romaine, of Van Winkle & Co., succeeded to the Presidency and Wakefield Baker to the Vice-Presidency. The purpose in which this line had its origin being to place in the hands of its projectors independent transportation facilities, they did not start in to engage in

a general transportation war; but the older clipper lines that had enjoyed a monopoly of the business for years at exorbitant rates determined that the new line should be short lived, and lowered their rates to such an extent that the existence of the Merchants' line was threatened. It was then that the merchants of San Francisco felt the necessity of rallying to the support of the Merchants' Shipping Association. A general meeting of the merchants was held at the rooms of the Board of Trade, in August, 1892, President J. P. Le Count, of the Board of Trade of San Francisco, presiding.

At this meeting most of the leading wholesale firms joined the Merchants' Shipping Association, and a guarantee fund approximating one hundred thousand dollars ($100,000) was subscribed for the maintenance of the new line. It was decided that the business of the Association should be conducted by an Executive Committee consisting of twelve representatives from the different firms. The Committee was as follows:

N. T. Romaine, of I. S. Van Winkle & Co.; Wakefield Baker, of Baker & Hamilton; B. F. Dunham, of The Dunham, Carrigan and Hayden

Company; Henry Payot, of Payot, Upham & Co.; A. Cerf, of Cerf, Schloss & Co.; W. B. Wellman, of Wellman, Peck & Co.; F. W. Van Sicklen, of Dodge, Sweeney & Co.; R. B. Huie, of J. W. Grace & Co.; M. P. Jones, of Jones & Co.; H. Michaels, of Langley and Michaels Company; C. E. Miller, of Miller, Sloss & Scott, and George Hawley, of Hawley Brothers Hardware Company.

Under this management the business of the Association continued in active operation until January 1, 1894.

The "Chas. E. Moody," the first ship of the Merchants' Line arrived in San Francisco in November, 1893. It brought 2800 tons of general merchandise. It has been followed by regular monthly arrivals since then to date. The line was under the direct management of the Association until January 1, 1894, at which time Messrs. Grace & Co. undertook to continue it on their own account. The expiration of the contract between the Panama Railroad Company and the Pacific Mail Steamship Company brought the Isthmus route early in 1893 into competition with the clippers, a result which had not been anticipated.

Rates by way of the Isthmus went so low that the business of the clippers was interfered with very seriously. A large amount of money was lost by both the clippers and the steamers. The older clipper lines which had pursued a war of extermination also lost heavily, but the Merchants' Line survived, and under a guarantee of support from the merchants is to-day succesfully conducted by W. R. Grace & Co. (April, 1895).

There was a lesson in these transactions which consisted principally in the demonstration that no matter how strong any compact might be made in restraint of trade to control rates and limit the volume of sea tonnage to be carried, the open ocean, by way of Cape Horn, always held out an adequate remedy for those in San Francisco who had the courage and enterprise to become carriers on their own account. The rates on sailing vessels from San Francisco to New York also declined.

Joseph S. Leeds, manager of The Traffic Association of California, attributed the collapse of The Transcontinental Association and the discontinuance of the Pacific Mail subsidy to the operation of these clippers. Merchants in

San Francisco were able to secure through bills of lading from San Francisco to points in Iowa by way of Cape Horn and New York, utilizing on the Atlantic Seaboard rail lines leading inland, transporting their freights all the way around Cape Horn, and bringing them back to the Missouri River at a price which enabled them to compete with the transcontinental lines leading direct from San Francisco to the Missouri River.

In August, 1892, soon after the "Moody" arrived in San Francisco, it was carefully estimated that 42,000 tons of freight were on the way by sea for San Francisco from New York; also that about 15,300 tons were on the way via Cape Horn from Philadelphia. Twenty-four vessels were on the way, or loading, which were bound from the Atlantic to the Pacific Coast. Philadelphia business men were purchasing California goods to arrive by sea to distribute throughout the eastern country by rail.

The value of any undertaking of a public nature is better judged by its results in the way of public benefit than by the amount of dividends or loss shown on the balance sheet. The long journey by way of Cape Horn from New York precluded the transportation of the higher

classes of freight for which greater charges are made by the rail lines. But carriage of the lower class freights, heavier merchandise, opened the way for a competition in the transportation of all classes of freight, so much so that the old members of The Transcontinental Association not only found themselves in competition with the sea carriers, both via Cape Horn and via the Isthmus, but they also became keen competitors of each other; and the shorter water way between New York and New Orleans employed in connection with the rail lines of the sunset route of the Southern Pacific Company, incidentally became another factor in demonstrating a great truth concerning the value of competition by water. With these facilities the Southern Pacific Company was enabled successfully to compete with all other lines leading from the seaboard on the Atlantic Coast by connections to the Pacific Coast, and to secure for itself fully the "lion's share" of all the tonnage that must move by rail, and also to continue in the possession of the "lion's share" of this traffic long after the Merchants' Association retired from active participation as carriers on their own account, and the North American Navigation Company had been succeeded on the Pacific Ocean by the Panama Railroad Company's steamships.

VI.

THE CALIFORNIA LEAGUE OF PROGRESS.

THE CALIFORNIA LEAGUE OF PROGRESS.

THE California League of progress performed an important public duty between the years 1892 and 1895. This organization was born of the belief of some clear-headed young business and professional men of San Francisco that California could not progress until emancipation from the domination of the Southern Pacific Company should be accomplished; also that they were concerned in the permanent prosperity of this State equally with their seniors. It required fortitude on their part to place themselves in antagonism to the Southern Pacific Company, a fact which may be less appreciated now, when the tide has turned, than it was at that time. The existing evils were apparent; but the dread of the Southern Pacific Company's vengeance was common. Several hundred young men enrolled themselves as members of the League of Progress. Active participators in

significant events, they were also efficient in exerting influence upon junior San Franciscans. They found themselves pitted, in common with The Traffic Association and other kindred organizations, against the most powerful transportation monopoly of the time, which controlled traffic and politics in California, and which also was a factor in society.

"It was everywhere said," truthfully remarks one of the organizers of the California League of Progress, "that we were foolish to provoke the hostility of the monopoly; also that we could accomplish nothing." Progressive young men stood at the fore with The Traffic Association. Simultaneously they studied the problems presented and learned the lessons inculcated by experience. To the juniors will come the greater share of the fruits of success in the future. As members of the advance guard they manifested their mettle.

The California League of Progress was organized at a public meeting held in the Bijou Theatre, June 7, 1892. This meeting was called to order by Walter M. Castle. W. H. Metson presided, Maurice F. Loewenstein being the Secre-

tary. The purpose of the meeting was set forth in the following, which was unanimously adopted:

"*Whereas*, The business interests of the State are suffering from lack of co-operative action on the part of our merchants, manufacturers, miners, and producers; and *whereas*, the young men of San Francisco desire to awaken the old-time spirit of progression, which has years lain dormant; therefore be it

"*Resolved*, That an association be formed, the objects of which shall be the advancement of California's best interests, and the promotion of any enterprise that will contribute to the welfare of her people; be it further

"*Resolved*, That the interests of San Francisco and the interior being identical, the objects of this Association can only be accomplished through the united action of the whole State.

"We, therefore, call upon the young men of all sections of the State to immediately organize, so that a State League may be formed to successfully carry out the grand objects of our Association."

A committee on organization of which George Pippy was Chairman, submitted a Constitution

and By-laws. In these provision was made for a Board of Control to administer the affairs of the League. The first Board of Control was selected by a committee consisting of M. A. Rothschild, A. E. Castle, O. F. Westphal, W. F. Wellman, A. T. Vogelsang, H. T. Hart, and James McNab. The first Board of Control consisted of Andrew Carrigan, Walter M. Castle, Samuel Dinkelspiel, Morris Feintuch, Henry Gray, Thomas J. Harris, Frank Harrold, George H. Pippy, John Partridge, Henry P. Sonntag, A. L. Stetson, H. A. Williams, William A. Wilson, and Harry E. Wise. The officers for the first year were: Frank Harrold, President; W. H. Metson, First Vice-President; Walter M. Castle, Second Vice-President; Henry Gray, Secretary; Samuel Dinkelspiel, Treasurer.

The League secured quarters at 132 Market Street. At the first public meeting after the organization had been completed, sympathy with the aims of The Traffic Association was expressed in the following terms:

"*Whereas*, The heavy tribute levied by the common carriers operating within the limits of the State of California has stunted our inland

commerce, checked the growth and prosperity of our trading and industrial pursuits and imposed a condition of inertia in a city which, by its many natural advantages, should be one of the busiest in the commercial world; and *whereas*, The Traffic Association of California, with a view to the correction of corporate abuses, has adopted a memorial for presentation to the representative political parties requiring them to pledge their candidates for either branch of the Legislature to reformatory legislation on the transportation question; therefore be it

"*Resolved*, That the California League of Progress heartily endorses the plan of action proposed by The Traffic Association of California and pledges to it its unanimous and unqualified support."

About this time the competing clipper ships line was about to be operated by the Merchants' Shipping Association between New York and San Francisco via Cape Horn. The use of competing clippers and also of the steamships of the Atlantic and Pacific Steamship line established via Cape Horn was urged publicly and privately by the members of the League and by the Board

of Control in its official capacity. Similar support was also afforded to the North American Navigation Company when, a little later, that line was established.

The necessity of competing railroads was also perceived and the construction of such lines was strongly urged by the League. At all times members of the League expressed not only their willingness, but also their desire, to assist personally in raising funds for such purpose. An offer of support was made to Alvinza Hayward and his associates in the San Francisco and Great Salt Lake Railway enterprise. When The Traffic Association projected a competing railroad line through the San Joaquin Valley the League offered to district the city, and to act as canvassers for subscriptions for capital stock. Many of the League members appear in the list of subscribers to the stock of the San Francisco and San Joaquin Valley Railway in 1895, and were known as workers in that direction.

During the first year of the life of the League of Progress, an attempt, which was crowned with success, was made to secure a change in the system of harbor tolls established by the State Board of Harbor Commissioners. Petty exactions existed, which implied a large annual

aggregate to be paid by shippers. The Harbor Commissioners had control of the collection of tolls and the manner of collection. The rate of toll on merchandise was generally five cents per ton. What was known as a "credit list" was in vogue, which relieved parties from the obligation of delivering statements and paying tolls upon merchandise in cars, provided such parties made application to be placed on the list. The application being granted, the owner or consignee was given a credit by the Harbor Commissioners, but was held accountable for the gross tolls on the merchandise in which he was concerned. The Southern Pacific Company and some others had been granted credit for tolls, and the Southern Pacific Company was made responsible for the collection of five cents per ton for all freights passing in its custody over the State's wharves. The State received only five cents per ton for this business. It was of common knowledge that a fraction of a ton was compelled by the carriers to bear the full charge for a ton. This excess went into the pockets of the carriers. A report was submitted to the League concerning this matter by James K. Taylor, Managing Secretary of the League, of which the final paragraph was as follows:

"In my opinion neither the Southern Pacific Company nor any of the persons and firms named is entitled to demand from consignees anything in excess of five cents per gross ton for merchandise arriving in its custody. The State certainly gets no benefit in the charge in excess of that amount, and I do not believe that the State maintains its docks and wharves with the view that they shall become a source of revenue to private parties."

The League took action. A suggestion was made to the Harbor Commissioners to arrange a system of graduated charges of State toll to be paid on merchandise arriving at San Francisco in less than ton lots, and a victory was won which resulted in saving many thousands of dollars annually to the merchants.

Here is an extract from a letter addressed to "Alvinza Hayward and Associates, August 19, 1892, which indicates the spirit of younger Californians at that time:

"We take the opportunity presented in the opening to subscription of the stock books of the San Francisco and Salt Lake Railroad Company, to show the gentlemen who have encouraged your enterprise, and the public generally, the position taken by the California League of Prog-

ress in this matter of such paramount importance to the people of this city and State.

"The California League of Progress recognizes in the incorporation of your Company the first practical step towards the breaking of the transcontinental freight monopoly that has been allowed to be maintained to the great damage of the reputation of this community for enterprise and for bold and independent action in public affairs of such moment as this, to the pecuniary disadvantage of every receiver and consignee of merchandise at San Francisco, and to the absolute endangerment of the perpetuity of many mercantile business of long establishment; a monopoly which has hindered the development of the metropolitan city of the Pacific Coast, and kept California an inaccessible country to thousands of ambitious Americans on the Atlantic seaboard, who might otherwise have tried their fortunes in the Golden State, and helped in the building up of this great Commonwealth of the Pacific.

"We are confident that the auspicious reawaking of the independent spirit of pioneer days, and the establishment of this new connection with the outside world, will eventually restore to us the population which should have

been ours twenty years ago; make opportunity for the employment of millions of dollars of idle capital; give to our merchants the interior and local trade which naturally should be tributary to this metropolis and ultimately lead to the re-establishment of a condition of general prosperity for the people of our City and State."

Congress was memorialized in favor of the construction of the Nicaragua Canal. Port charges were investigated. It appeared that pilot charges were regulated by legislative enactment. A committee, understanding something about legislation, naively remarked in a report concerning this matter:

"It would be highly impracticable for the League to undertake the reformation of any abuse requiring legislative action in the present condition of affairs, and if we may judge the future by the past, in this matter of port charges, it will be a long time before ship owners will bid successfully against the pilot ring for legislation."

The League was very active. It is not necessary to recount all happenings. The League strongly favored the issuance of bonds by the State to provide for the construction of a Union Depot at the foot of Market Street, San Francisco. The

vote at the succeeding election was close. The League had several hundred members, who, with probably few exceptions, voted to issue the bonds. It has been claimed and very likely the claim is correct, that the votes of the League and votes influenced thereby, carried the day.

Encouragement was extended to the San Francisco World's Fair Association to provide for a San Francisco "exhibit," at the Columbian Exposition held in Chicago in 1893. The cause of The Union Transportation Company, a river steamship line, which was a competitive freight carrier, and which was hampered by discrimination in the matter of water-front facilities at San Francisco, was urged before the Harbor Commissioners. Municipal concerns were taken up and various recommendations were made.

Several resignations in the Board of Control occurring the first year, Will E. Fisher, R. B. Bain and T. T. Chappell were elected members of the Board. While the young men of San Francisco were now alert, the interior remained apathetic and the formation of branch Leagues outside of San Francisco, which was proposed, could not be brought about.

The officers who were elected for the second year were as follows: President, T. J. Harris;

First Vice-President, W. H. Metson; Second Vice-President, Emile H. Kahn; Secretary, Maurice F. Loewenstein; Treasurer, W. D. McArthur. The Board of Control included the foregoing and also the following: A. F. Baumgartner, Henry Gray, S. C. Irving, Fred J. Koster, Charles H. Maass, Louis Saroni, R. E. Starr, B. D. Pike, Wallace A. Wise and Charles L. Pierce.

In the second year of the existence of the California League of Progress, John L. Davie, (who has been elected Mayor of Oakland in 1895), and others, started an opposition ferry between Oakland and San Francisco with the intention of making the same permanent. The enterprise, although heartily welcomed and patronized by the public, received scant courtesy from the Board of Harbor Commissioners. In this respect the opposition ferry line shared the fate of other concerns seeking to establish competition in the carrying trade in California through the efforts of servants of the State in behalf of the all-powerful Southern Pacific Company. This time the Board of Harbor Commissioners made success for the new enterprise impossible by giving its ferry-boats a berth on Mission Street wharf, which is generally used by freight boats only. As at that time most of the slips had been rebuilt

at the foot of Market Street, prior to the construction of the Union Depot, the League held that the Davie Ferry and Transportation Company was entitled to one of the slips in compliance with the promises made by the Board of Harbor Commissioners to the Board of Control of the League prior to the election of 1892; namely, that the landing facilities at the foot of Market Street would be open to every legitimate competitor. Consequently, the Board of Control appeared before the Board of Harbor Commissioners, but obtaining no satisfaction, they addressed Governor Markham, who, as Governor, was ex-officio member of the Board. The case was presented to the Governor in all its merits, but the latter, however, although apparently investigating the grievances of the opposition ferry company, took sides with the Board of Harbor Commissioners and the Southern Pacific Company, and thus helped to crush this enterprise.

During the early part of 1894 the League lent encouragement to the managers of the Midwinter International Exposition. The enterprise was not receiving the support of the public it was entitled to and the League, believing that the reputation of the State was at stake, worked hard to make the enterprise more popular.

One of the most important features of the work of the League during this year was the investigation of telephone rates. After collecting data from all over the United States and abroad the conclusion was arrived at that the rates charged by the California Company were exorbitant and that its methods were most arbitrary. As the Company did not see fit to reduce its rates, a circular containing the result of the investigation and conclusions of the League was mailed to every subscriber to the Telephone Company, with a view of getting them to subscribe to the opposition telephone company, which was then being started. The League endorsed the new enterprise and helped its promoters in every way possible. The investigation referred to brought the matter to the attention of the public, and was largely responsible for the inquiry by the Legislature of 1895 into the methods of the Telephone Company.

The League was also represented at the Trans-Mississippi Congress and was honored by having one of its delegates, A. E. Castle, elected Vice-President from California. As such, Mr. Castle represented the State at the Trans-Mississippi Congress at St. Louis, November, 1894.

The work of the League has been intended

for the public good. The League retains its organization, having (April, 1895,) the following Board of Control and officers: F. T. Koster, President; A. J. De Lamar, Vice-President; Jonas Erlanger, Secretary; S. C. Irving, Treasurer; Henry Gray, C. L. Pierce, T. J. Harris, Charles Bier, W. K. Brackett, J. H. Bruning, Charles H. Maass, W. H. Metson, Frank Pinkham, Harry Unna, Alexander T. Vogelsang.

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